Roosevelt's Next Recovery Move

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 16, 1933 | 10c a Copy; $5.00 a Year | No. 37

The Nation's Business

Why Delay in Naming C. N. R. Trustee Board?
Guthrie, Ryckman Held to Task
Central Bank Should be Modest in Aims and Scope
U. S. Banks and Recovery Loans

C. N. R. Trustees Should be Named

WHERE is Canada's new railway czar? It is months since the Government began to look for a man to head the board of trustees of the Canadian National Railways. Up to the middle of this week, no definite word had come from Ottawa that the board or the chairman had been selected.

There was delay in appointing the commission to investigate the railway situation. Now there has been this further delay in implementing the most important recommendation made by that commission. In the meantime many economies in operation have been made effective through co-operation between the two railways but until there is a responsible head for the Canadian National Railways, holding a title more suggestive of his responsibility than that of "acting president," comprehensive action to reduce the railway deficit cannot be expected.

The board of trustees should have been named last spring but it was not so named. There should be no further delay.

* * *

Responsibility of Ministers

UNOFFICIALLY it is reported from Ottawa that the Government has decided that there will be no royal commission of investigation into penitentiary conditions. If this means that the prime minister has put it up to his minister of justice either to correct whatever abuses exist or resign then the right action has been taken. A royal commission would merely have permitted ministerial responsibility to be side-stepped.

It is likewise reported unofficially from Ottawa that the prime minister has put it up to the minister of national revenue to end the abuses in customs administration that have so largely negatived the purpose of the Ottawa agreements in so far as imports from Great Britain are concerned. This also is a proper move.

In the ultimate analysis the people of Canada hold the prime minister responsible for the proper conduct of departments. When his ministers fail him, as Messrs. Guthrie and Ryckman have, he must take matters in his own hands Apparently this is what he has done.

* * *

Central Bank Virtual Certainty

THERE is a disposition to believe that the question of a central bank for Canada has already been decided, although the Macmillan Commission has not begun to write its report. In Geneva, experts of the League of Nations say "Yes, Canada is going to have a central bank." At Ottawa, financial advisers of the Government discuss not whether or not Canada is to have such a bank, but what type of bank it should have. Questions posed by a majority of the commission members seem to have been directed to a similar end.

Some very sound advice on central banking has been given to the commission to offset much of the more hare-brained evidence of amateur currency reformers. No doubt this evidence will be carefully weighed by Lord Macmillan and his associates. If it is, they are certain to present proposals for monetary control in Canada that will disappoint most of the theorists who have presented ready-made schemes.

* * *

WHATEVER mechanism is ultimately established to "regularize" credit control in Canada will serve the country best if it is simple in form and modest in its objectives. It is too much to expect of a Canadian central bank more than central banks have been able to accomplish elsewhere in the world. And no central bank anywhere has yet ironed out any country's business cycle, allocated its credit supplies to the satisfaction of all groups, stabilized both its price level and its foreign exchange position for any considerable length of time, nor materially reduced the cost of borrowing.

Even if the world had learned how to run central banks in general. Canada would have a difficult task in learning how to adapt its own

(Continued on page 2, col. 3)

GASOLINE PRICE RISES 1½ CENTS PER IMP. GAL.

Crude Advances in U. S. and N. R. A. Measures Force Canada

NO MORE NOW

Expectation is That Crude and Refined Prices Will Be Stable Until Next Spring

Gasoline prices in Canada have been increased 1½ cents a gallon in three weeks, one half a cent a gallon three weeks ago and another cent a gallon on Monday, September 11. Three weeks ago The Financial Post informed its readers that a rise in gasoline prices was inevitable as a result of increasing prices of crude oil in the United States and the prospect of permanence of such prices under the new oil code written and made effective under the National Recovery Act.

At one time in 1933 the demoralization of crude oil prices went so far that crude oil was actually sold in the East Texas field at 5 cents a barrel by some operators and at 10 cents a barrel by most of the others. At the same time 25 cents a barrel was being accepted in other fields but the failure of all efforts at curtailment appeared probable until under the threat (or the promise) of Federal intervention, operators in the various oil states got closer together to limit production.

Canadian oil companies have not followed the crude oil prices religiously during the summer months and in September to date because they did not want to raise prices in the middle of the busy season or to make a rise at all unless the costs for crude became based on prices which had some aspect of permanence. They do believe the new prices will hold for crude.

Limiting Production

The code's first important step, that is, to decree the allowable production for the United States and to allot this production among the oil-producing states, went through without a hitch. There was a strong disagreement on the provisions for price-fixing and these still remain in abeyance because Standard Oil of New Jersey and some other companies argued that, without control of production, price-fixing would be idle while with control of production, it would not be needed. It remains as a possible weapon in the Government's hands but first the reactions of the industry to the control of production will be watched carefully.

Under the code the NRA administrative board has decided that consumptive needs could be met by a flow of 2,409,700 barrels daily, a reduction of about 350,000 barrels daily from the flow shown daily during the week ended September

(Continued on page 2, col. 4)

Montagu Norman and Roosevelt Discussed Silver

Silver was part of the tea cup conference at which President Roosevelt of the United States recently entertained governor Montagu Norman of the Bank of England, according to a Washington authority consulted by The Financial Post. But what was said is unknown.

There is no responsible confirmation of reports that a fixed price for silver in relation to gold is being planned in the United States. It is felt that some plans are being laid for its greater monetary use, however.

Greater fineness of present coins has been put forward as one of the conservative suggestions for improving the monetary status of silver. Bimetallism proposals are treated as quack remedies by leading economists. They also scout the notion that higher silver prices would aid oriental purchasing power.

See Credit Expansion Urgent Need in U.S.A. as Wage-raising Fails

Sensational Schemes Under Consideration Include Outright Inflation — Higher Wages Raise Retail Prices Nullifying Increased Farm Buying Power

WASHINGTON CAN'T EXPAND BANK CREDIT

Dissatisfaction Among Producers of Raw Materials Over Failure to Increase Purchasing Power—Manufacturers to Test Legality of Codes' Labor Clauses —Ford Stands Aloof

Further sensational recovery plans are likely to come out of Washington within the next 30 days, The Financial Post is informed. Slackening of the American summer business "recovery" necessitates early action, it is stated. The result may be devaluation of the dollar, easier solvency qualifications for banks to encourage them to loan more freely, or outright inflation by purchasing Liberty bonds with printed money.

Ill success is reported of the N. R. A. wage-raising plan to restore purchasing power. This has definitely resulted in higher retail prices, offsetting earlier gains in farm purchasing power.

The banking situation and failure to get credit out are Washington's chief worries. Some members of the "new deal" administration are accused of preparing to make the banks the goats in the event of failure to expand credit.

Authority Sketches Position

A high Washington authority was consulted by The Financial Post by telephone as to the situation. He summarized it as follows:

"Things are in terrible confusion. It has been impossible to get credit expanded. Gold prices are actually below a year ago, and the administration wants to get domestic prices higher.

"Price advances to date are unsatisfactory. I have been down in the cotton growing areas. There is great dissatisfaction. When the initial price-raising lifted farm prices, starting in March, growers felt that they were getting back some measure of the disequilibrium which had existed between prices of goods they sell and those they must buy. Since then the N. R. A. shorter-hours, high-wages codes have resulted in increased costs to industry and higher retail prices. When growers get higher prices for their products, they find them eaten up at the corner store where retail prices are up just as much or more than farm prices.

Quick Action Needed

"The administration has to take quick action to get credit expanded and prices up. So far nothing appears to have been decided. Open market operations have not worked. The big problem is to get banks to lend more freely. Banks are afraid to lend to those would-be borrowers who hope for improvement under the N. R. A. The banks do not know whether such loans will be accepted as good by state and national bank examiners for the deposit insurance starting Jan. 1. The banks don't know what their tests of solvency should be. If they

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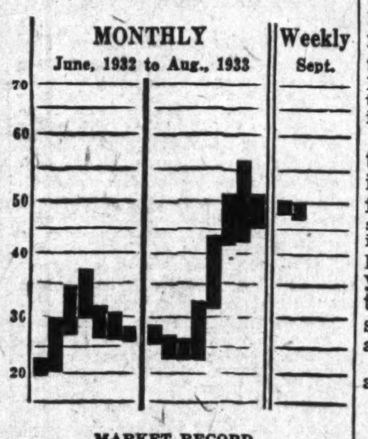
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Sept. 12	50.0	47.8
Week of Sept. 5	50.1	48.2
Month of September, 1932	37.9	30.3
10 Public Utilities		
Week of Sept. 12	53	52
Week of Sept. 5	54	53
Month of September, 1932	55	48
8 Bank Stocks		
Week of Sept. 12	185	182
Week of Sept. 5	186	183
Month of September, 1932	182	177

Decision on Price Bros. Future in Last Stages

From Our Own Correspondent

MONTREAL.—Price Bros. and Co. bondholders' protective committee is expected to come to a decision in the next week or two as to which of the reorganization plans it will accept. The committee met in Montreal at the beginning of the week and it is understood that consideration was given to two plans—one put forward by the Duke-Price Power people in association with Lord Beaverbrook and the other by a syndicate headed by R. O. Sweezey. The latter group is reported to include among others Harry Oakes, of Lake Shore Mines and E. Boawater, prominent English papermaker.

While particulars of the plans put forward by these two groups have not been made public, it is understood that the Duke-Price Power scheme makes provision to assume the present first mortgage bond issue and to pay all interest charges in cash, give the preferred shareholders one new share of preferred for each 10 held, and to the common stockholders one new share for each 50 shares held. The Sweezey plan provides for a deferment of interest charges in return for, which the bondholders will be given bonds and notes on account of interest in 1933 and 1934, with partial cash payments starting in 1935. The stockholders will be allowed to participate on the same basis as the syndicate members.

It is considered that the delay in arriving at a decision as to the most suitable plan has not been particularly helpful to the company for the reason that paper contracts are up for renewal within the next month or two. The uncertainty over Price Bros.' position does not strengthen the company's position in renewing contracts.

FRASER COS'. MILLS WORK ON FULL TIME

Sulphite Pulp Situation Registers Material Improvement

From Our Own Correspondent

MONTREAL.—With all three pulp and paper plants working full time, operations of Fraser Cos. and their subsidiaries are on a better base than those prevailing at this time last year.

The improvement in demand for sulphite pulp in the past few months has been most marked, resulting in an advance of several dollars per ton in selling price. This has enabled the company to operate its Edmundston and Athol mills on a full-time basis.

One Unit Under NRA

Fraser Paper Co.'s plant at Madawaska has also been operating on a larger scale to the benefit of the Edmundston mill, from which it draws its pulp supply. The former manufactures catalogue and book paper for which there has been a better demand of late.

Mill operations at Madawaska are being conducted under the papermakers code drawn up under the NRA plan. Operations are limited to five working days of eight hours each per week At the same time wages have been increased to the extent of about $250,000, the increase being taken care of through a larger volume of business.

Lumber Prospects Brighter

Lumbering operations of Fraser Cos. also are on an improved basis. The company expects that exports this year will amount to between 17,000,000 and 18,000,000 ft. This reflects the improved relations between Canadian producers and the English market since the holding of the Imperial Economic Conference in Ottawa.

Another encouraging factor in the lumbering division at this time is the presence in Canada of buyers from England. Ordinarily representatives of the English lumber importers do not make their appearance until the beginning of the year, so that producers in the Maritimes are led to believe that larger shipments for the English market are in prospect.

Though no information is available on current earnings, it is

(Continued on page 2, col. 5)

Record High in Carloadings for This Year

Carloadings advanced to a new high record for 1933 in the week ended Sept. 2. The rise over the preceding week was more than seasonal. On a seasonal basis, however, the index number did not make a new high for the year, standing at 70.15, compared with the record of 71.48 reached in the week ended Aug. 19.

The more than seasonal increase in loadings was all in the eastern division. The western division showed an increase, but it was less than seasonal. Merchandise and miscellaneous freight recorded increases of 345 and 721 cars respectively. Coal and grain loadings also showed improvement.

Other business indicators were mixed. August exports showed a heavy decline from the previous month and from the previous year. Weekly cattle sales were also down in both comparisons. Footwear production in July showed increases.

Monthly	Aug., '33	—Change— From prev. period %	From prev. year %
Wheat exports, bus.	8,652,970	—47.2	—52.8
Flour exports, bbls.	480,288	— 2.6	+45.4
	July, '33		
Footwear prod. pr.	1,974,867	+ 0.5	+48.2
Weekly†			
Carloadings	45,313	+ 8.7	+ 9.6
Cattle sales	11,753	—31.5	— 5.6
Hog sales	13,789	+ 1.1	+ 1.0

† Weeks ended Sept. 2, Sept. 7 and 7 respectively.

—Drawn for The Financial Post by R. Kaell.

JOHN BULL DOESN'T LIKE THE LADDER.

Post's Comment Fair Rules Superior Court Dismissing Libel Suit

Decision in Action by Montreal Broker, Named as "Atwell Associate"—Leo. B. Masterson's Complaint Related to Criticism of Stock Sale Campaign

From Our Own Correspondent

MONTREAL.—Fair comment, substantially true and in the public interest, was the judgment handed down by Justice Errol McDougall in the Superior Court here in dismissing an action for $25,000 damages against The MacLean Publishing Company, Limited, publishers of The Financial Post, brought by Leo Benedict Masterson, former Montreal mining broker, who alleged that an article published by The Post was libellous.

This lawsuit has been of more than passing interest owing to the prominent stand which this paper has taken in connection with certain brokers and mine promotions for several years past. The Post has not held back in giving its opinions on promotions where criticism was warranted. One of the guiding principles of this paper is that the public, in being asked to subscribe money to develop mine properties or participate in other ventures, is entitled to know the facts. In providing this service The Post has been severely criticized at times but the soundness of the policy has been demonstrated on many occasions in the last five years.

Action Based on News Article

In its issue of October 17, 1931, The Financial Post published an article under the heading of "L. B. Masterson, Atwell Associate, Makes Offering; Buffalo Canadian Venture Introduced with Lurid Accompaniment." The main body of the story referred to Masterson's association with Louis Atwell, Montreal stock broker sentenced for fraud, and, further, to Masterson's attempts to sell stock in the Buffalo Canadian venture to old clients of Atwell.

Taking the headlines and the accompanying story to mean that he was fraudulently attempting to sell stock in the promotion to Atwell's former clients, Masterson sued The MacLean Publishing Company, Limited, as publishers of The Financial Post, for $25,000 damages.

Comment Published in Good Faith

The case came up for hearing before Justice McDougall of the Superior Court about mid-year. In admitting publication of the article, The Post set up as its defense that the paper is devoted to financial matters and has, for more than 25 years, given information to the public in respect of investments and promotions that it is invited to take. The article complained of, therefore, was a comment on the promotion published in good faith in the public interest and, moreover, was fair comment and true.

In an examination for discovery of Masterson by legal counsel for The Post evidence was brought out to show that while Masterson may not have had contractual relations with Atwell, yet he was so closely connected with the Atwell organization as to justify the use of the term "associate." Bulletins issued by Masterson recommending certain stocks were also submitted in defense.

In dismissing the action His Lordship pointed out that the defense was not one of privilege but justification of the statements contained in the article in that they were fair comment published in good faith and true.

Prove Statement of Facts

It is essential to such a defense, His Lordship added, that the facts upon which comment purports to be made are true, failing which no commentary upon them could be deemed fair. The statements of fact were these: "A former associate of Louis Atwell, sentenced for fraud" and "is attempting to sell to old clients of Atwell stock in the Buffalo Canadian Gold Mines."

The evidence establishes, His Lordship said, that the plaintiff, while not a partner of Atwell, was constantly, during a period of several months, in close association with Atwell, occupied an office adjoining that of Atwell, even signed his name as general manager of Atwell & Co., investigated the business of Atwell at the latter's request, and, while he received no salary, was paid the generous expense allowance of $150 per week; and plaintiff allowed himself to be held out as closely connected with the organization of Atwell.

It was not necessary, continued His Lordship, to establish a contractual relationship between two persons to justify the statement that they were associated together, and all persons united together by mutual consent or by compact for the promotion of some common object might be regarded as associates.

Fullest Latitude of Discussion

It was established, then, that the statements of fact contained in the article were substantially true. Moreover, the subject matter of the article was a matter of public interest, as to which the fullest latitude of discussion should be allowed.

In so far as the article in question commented upon the former relationship existing between plaintiff and Atwell it was neither unfair nor improper and constituted no libel.

"The plaintiff," His Lordship added, "having placed himself in such a position as to render such commentary possible, cannot now complain that the comment was unfair."

His Lordship further added that the statement that Masterson was attempting to sell to old clients of Atwell was not in itself damaging and did not give cause for libel.

Lawsuits are troublesome and expensive, but the principle involved in the present case was of such importance to investors across Canada that The Financial Post had no thought of compromising with the complainant. The Financial Post is an investors' newspaper and in making comment on certain types of financial enterprises it does so in the belief that it is in the best interests of the public.

Highlights of the week

Events and Topics That Make News for Post Readers

Next Recovery Move

As business advance slackens, President Roosevelt weighs his next move, which may be sensational. It will be as important for Canada as for the U. S. A. Despatches from Washington and Ottawa outline governmental policies in the depression. Page 1.

Railway Problem

It is not incapable of solution declares Prof. W. T. Jackman and D. W. Buchanan. They offer their views on the best remedy. Page 9.

Socialism's Aims

What difference is there between Socialism as preached in England and the New Deal as practiced in the U. S. A.? An illuminating interpretation. "The World at Large," column. Page 6.

Investor Protection

The whole basis of security underwriting, both in U. S. and Canada, will be affected by the new American Securities Act. Another article interpreting this most advanced price of legislation to protect investors. Page 3.

Why Gas is Up

An explanation of the increase in gasoline prices in Canada. Page 1.

Export Control

As Canadian farmers urge a national export marketing board, The Financial Post describes in detail New Zealand's similar scheme. Page 9.

Savings Certificates

The various companies selling "savings" certificates in Canada are critically analyzed for the information of investors. Page 11.

Banking Enquiry

The Financial Post, alone among the newspapers of Canada, is thoroughly summarizing all the evidence before the Macmillan Commission from the official transcript. A further report appears this week. Page 13.

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OTTAWA WEIGHS RAILWAY WAGES NRA AND WHEAT

Expected 1932 Crop Will Get Right of Way

STILL SHUN NRA

Government Embarrassed by Demands for New Deal—Rail Wages in New Tangle

From Our Own Correspondent

OTTAWA.—While ten days of arduous labor by the cabinet has failed to bring announcements of importance, many important policies have been developed and decisions are likely to be announced within a few days.

1. Wheat Finance

The situation both with respect to the carrying out of the wheat agreement and the financing of the new crop has been materially clarified. It is learned on reliable authority that the government has renewed its guarantee to the banks on account of John I. McFarland's operations, which is taken to mean that substantially the same policy will be pursued in the coming year as in the past. It is being stated in quarters close to the ministry that this does not mean that the government's holdings of wheat will not be materially reduced this crop year. On the contrary, the government hopes to cut the carryover down by a large amount. It does mean, however, that the market will not be disorganized by a too rapid liquidation.

There are rumors, not confirmed in official quarters, that the government also has taken steps to ensure the "orderly marketing" of wheat by the grain trade. The nature of the policy in this regard, however, is not ascertainable. Indeed, it may be doubted if any financial obligations have been concurred. Following along the line of the gentlemen's agreement of 1932 it is probable that the government has agreed to give right of way to the new crop.

2. Recovery

While Premier R. B. Bennett hinted at a New Deal for Canada in his remarks at the Newmarket Summer School, his Montreal speech made it abundantly clear that he does not envisage anything comparable to the Roosevelt programme. Precisely what he has in mind is understood to be just as little known to his cabinet as to the average citizen. The Bennett New Deal, it is learned, has not been discussed at the council board, though some of its provisions may be guessed at with confidence.

The reactions in Canada to the Roosevelt programme have been very marked and have occasioned a good deal of harassment to ministers. And in no field is this more true than in the field of transportation.

The political consequences of having the Canadian railways go through with their last wage reduction are not minimized at Ottawa and it would occasion no surprise if the government intervened to save railway employees at least to some extent.

3. Railway Wages

When the Canadian railways made effective their 10 per cent cut a few months ago, the American railways were taking similar action. In fact, the American roads proposed a cut of 23 per cent in wages. Railway executives on both sides of the international boundary proceeded along the same line.

But in the United States, President Roosevelt intervened. The Roosevelt policy of higher wages and additional employment was in conflict with the proposal of the railway managements and for that reason the cut did not go into effect. The result has been to place the Bennett Government in a position of political difficulty. Canadian railway employees can point to their colleagues in the United States and declare that the government over there saved the men from reductions in pay. Why cannot Mr. Bennett do a like service to the railway employees of Canada? is the question they are asking. Moreover, the recent speeches of Bennett ministers, pointing to the upturn in business, the rising figures of employment,

(Continued on page 2, col. 1)

Just Think of It!

Foreigners Stir Religious Strife

The head of one of our big corporations was approached recently by an agent of a Protestant women's organization for an annual contribution of $200 to carry on a campaign for protecting Protestants from the activities of the Roman Catholics. The business man is himself a prominent Protestant churchman.

He expressed surprise, and asked wherein the Catholics were becoming a special menace to the Protestants.

"Why," she answered, "they are getting hold of all the homeless Protestant children, putting them in Catholic institutions and homes and training them up to be Roman Catholics."

"That is very good work, is it not?" he said. "I think the Catholics are to be commended for it. Why do you not undertake the same work and then I would consider giving you a contribution?"

"I never thought of that," was the reply.

"By the way," he asked further, "who started this movement in Canada?"

"Oh, a British M. P. came over quietly, held little meetings and told us all about it," he was told.

The organizer is shown by "Who's Who" to be a socialist, not of Irish-Orange, but of doubtful mid-European origin.

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OTTAWA WEIGHS RAILWAY WAGES NRA AND WHEAT

(Continued from page 1)

etc., all indicate that this is no time to decrease, further, the purchasing power of the large number of people employed by Canadian roads.

In fact, it is understood that the heads of the Canadian railways realize that the situation has changed and would not oppose a reconsideration of the matter. It begins to look as if the government might propose a change in the policy. In the case of the shopping trades and those branches of railway employees who have been on short time for many months, the proposal may be that the cut of 10 per cent be waived entirely. With regard to the rest of the employees the suggestion might be that a five per cent reduction be substituted.

4. Wheat Reduction

The cabinet has been giving considerable thought to the wheat agreement. As reported last week a voluntary reduction in acreage will be sought and there is no intention of paying compensation. Apparently the cabinet is of the view that the out-turn of the 1934 crop, under normal conditions, will not be very great. It is reported from the West that from five to nine million acres of wheat land (the total is 25,000,000) are badly infested with grasshoppers. Unless the farmers withdraw this acreage from crop and summerfallow it next season, there will not be much headway made in the campaign to conquer this plague. Farmers will be told that if they do plant this acreage the crop will be negligible, and the inroads of grasshoppers the following year will probably be still greater. If they summerfallow next year the grasshoppers will be eradicated and the crop prospects for 1935 greatly enhanced.

Either way the government figures that a 15 per cent reduction in out-turn, against the average for the past three years, will be achieved.

"However good a dictatorship may be, however constructive and convenient, it always compromises the future, because it leaves as a legacy, disorder."
—*Plutarcho Elias Calles.*

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The Nation's Business

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institution to its particular needs. But the world has not learned how to run central banks. And few countries have discovered a simple formula for making them non-political, which is the objective urged for Canada. Practically all of the central banking institutions of the world are either under the domination of national politicians or of larger reserve institutions which in turn are dominated by international rather than commercial banking groups.

Revision of our central banking procedure — for there is central banking here despite the lack of a central bank—will be an interesting experiment and they are wisest who ask the least from it in the early years.

* * *

Making U. S. Banks Goats Under NRA

FINANCIAL observers across the line aver that they see in process an attempt to make the banks the goat for the possible failure of the NRA. While witnesses galore are telling the Macmillan Commission that all would be well in Canada if our banks would loan money more freely, the administration at Washington is telling the banks there that they too must underwrite recovery.

President Roosevelt sent the American Bankers' Association convention a note requesting freer loans to industries large and small. Then the chairman of the Reconstruction Finance Corporation raked the bankers over the coals, told them to be patriotic and loosen up, to go into partnership with the Government in promoting recovery. Officials of the NRA followed with the plea that the banks loan to industry the money to pay the higher wage and other costs involved in the NRA programme, collecting later "when prosperity comes."

Of course all of the governmental officials assured the bankers that they were not urging unsound loans; merely good loans. But even the tyro at finance must realize that loaning money to a corporation to meet higher operating costs imposed on it by governmental legislation is dangerous banking.

* * *

FACING the banks is the fact that on January 1 next a nation-wide system of deposit insurance comes into force when the banks with their own capital must mutually guarantee the repayment to all depositors of the funds that would be loaned. Before any bank can qualify under the guaranty scheme, it must prove a certain percentage of solvency. The banks have not been told that NRA loans would classify as sound loans under the solvency tests.

That the banks have excess reserves which would permit larger loans to industry is obvious from a study of the current figures. But they are not increasing their loans. Their defence is that good loans are not going a-begging, that most of the would-be borrowers are dangerous. They do not want to be asked to give support to the recovery campaign that goes beyond good banking, that jeopardizes the funds of depositors.

* * *

THERE rests the matter, virtually at deadlock. The banks have gone through three years of painful experiences, during the whole of which time they have been belabored by press and politicians for jeopardizing the savings of the nation in bad banking. Now they are being told that they are too cautious and are forestalling recovery.

The Government, of course, has the upper hand. It has loaned money directly to corporations to pay processing taxes under the agricultural recovery deal. It can and may loan money to corporations to pay increased wages. Bankers have their depositors' money to protect and if they do not protect it they are in danger of going to jail. But politicians have the taxing power of the people behind them.

There have been more politics in banking in the United States since the "non-political" Federal Reserve system was formed than ever before, which may or may not be a commentary on the demand for a "non-political" central bank for Canada.

OLD BREWING CO. ISSUES NEW STOCK OF 50,000 SHARES

Walkerville Brewery Offer at $3.25 to Spread Ownership

Walkerville Brewery, Limited, which was founded more than 40 years ago by E. Chandler Walker, who was a member of the famous distillery family, are making an offering of 50,000 no par value common shares on the market. The price is quoted at $3.25 a share and sales will be made direct to purchasers without the intervention of brokers. It is expected that in the ordinary course of events listing will be applied for.

It is reported that for the nine-year period ending Dec. 31, 1932, the Walkerville Brewery paid in excess of 9 per cent average dividends to its stockholders on the basis of the offering price of the current issue. The earnings were in excess of 12 per cent on the offering price after making provision for depreciation, provincial and federal taxes, and all non-recurring charges, it is stated.

Expects Hotel Sales

At present the company is not on a dividend basis, but hopes for improving business conditions. It is understood that this issue was probably brought out at this time to spread public participation in ownership in the expectation that the Liquor Control Act of Ontario will be amended in the near future to permit licensed hotels and restaurants to serve beer by the glass. The promoters deny any knowledge that this will occur but say that the pressure of events to meet tourist and other needs may lead to a widening of sale of beer and wine.

The company sells its products from Walkerville to Brockville mostly and, as its financial statements show, has gained quite a vogue. It sells brands known as "Rob Roy Ale," which is a pale ale heavier in alcoholic content than the brand "John Bull Ale," which was originated three years ago and is reported to have won considerable way. The latter is an English type India pale ale. It also has a "Superior Lager" beer which is an all malt beer and "XXX Porter" and "Pure Malt Stout." The plant of the Walkerville Brewery is stated to be entirely modern. The plant has been entirely remodelled since 1928 and re-equipped with the latest mechanical appliances for the brewing, aging and marketing of beer, ale, stout and porter. All of its products are reported to be moving well with Toronto and points east showing a preference for the ale, while around the U. S. border citizens of Canada and tourists from the American side apparently prefer lager.

Strong Working Capital

The plant has a capacity of 135,000 barrels a year, the equivalent of 1,750,000 cases. The company is equipped to provide both draught and bottled beer. It has been noted that in the United States the preference of the public has turned decidedly for the time at least to draught beer. Many companies there stocked up heavily on bottles only to find that their purchases should have been of barrels and casks.

The company has not been "in the red" since 1924. That was when the present interests took control. A balance sheet has been issued showing the position of the Walkerville Brewery as of Jan. 1, 1933, after giving effect to the present proposed financing and other adjustments. This balance sheet shows total current assets of $331,235.81, nearly 14 times current liabilities of $24,474. It includes the estimated net proceeds of sale of the 50,000 shares at $142,500, but even without this the current assets would be eight times the current liabilities. By appraisal on January 1, 1933, the fixed assets of the company are shown exceeding $1,000,000.

Prominent Directors Reported

The authorized issue of capital stock is 400,000 shares of no par value and the amount issued, including the 50,000 shares now offered, would be 375,000 shares of no par value. The balance sheet, after showing these shares at $1,272,500 shows an earned surplus of $55,634 and a capital surplus of $83,811, making a shareholders' equity, as shown by the balance sheet, of $1,411,945.

The company had a strong board of directors, as follows: Herman Radner, president; Eugene J. Bergor, vice-president; E. T. Thistle, secretary-treasurer, and other directors consisting of Preston C. Norton, president of the Norton Palmer Hotel Co., Windsor, Arthur D. Miles, formerly president of International Nickel, chairman of the board, Charles D. Isaacs, formerly of Hiram Walker & Sons, Ltd., Charles P. McTague, of McTague Clark, Springsteen, and Spencer and John J. McHale, president of Scott & McHale Limited, London, Ont.

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The Marlborough
In the Heart of the City
Fireproof Construction — European Plan
Rates in Keeping with the Times
220 Rooms

GASOLINE PRICE RISES $1\frac{1}{2}$ CENTS PER IMP. GAL.

(Continued from page 1)

2, 1933. It has been allotted as follows: Oklahoma, 540,000 barrels; Kansas, 112,000 barrels; Texas, 975,200 barrels; Rocky Mountain, including New Mexico, 89,300 barrels; Appalachian, including Michigan, 124,200 barrels; California, 480,000 barrels. The Texas Railroad Commission tried to get a delay in enforcement of the quota for that state but Secretary Ickes refused, and the Commission ordained a reduction of 25 per cent.

Price Changes Were Rapid

Crude oil prices differ so widely that it is difficult to show the recent changes except by naming certain crudes of specific gravities in specified districts. In the last ten days, however, Signal Hill crudes in California went up to $1 a barrel, an average advance of 5 cents. The lowest gravities went up 5 cents and the highest 23 cents a barrel. In every state prices advanced. Stanolind raised prices to 97 cents in Oklahoma and Texas and to 92 cents throughout Texas. Carter Oil raised prices to 50 cents a barrel for crude of less than 25 degrees gravity and 82 cents for 40 degrees gravity and above. Humble Oil quoted prices from 75 to 94 cents a barrel, Ohio Oil from 75 cents to $1.10, Pennsylvania companies their crude from $1.82 to $2.02 and some special crudes even went up to $2.35 a barrel.

Canada draws mainly her crude oil from the mid-Continent area of the United States and East Texas, and from Colombia and Peru, South America. Cost of South American crude is based on mid-continent prices in the United States. Every 35 cents a barrel increase in price for crude oil means an extra cent on to the cost of the equivalent manufactured products per gallon in Canada. As Canadian companies for several years have operated on a small margin, the increase in crude oil prices was bound to bring an upward movement sooner or later.

At Peak for Time

Gasoline prices in the United States have everywhere gone up. On September 8 Standard Oil of New Jersey advanced throughout its territory the price of gasoline by one cent a gallon for tank cars, tank wagons and service stations. If the situation does not work out satisfactorily to all concerned the NRA Administrative Board in charge of the oil code will recommend to President Roosevelt that he implement his powers to name the basic price for gasoline.

In view of the quick rise of crude oil prices in the United States, a Financial Post representative asked an official high in the industry whether or not there may be still higher prices for crude in the United States with its results in Canada. He was inclined to think that the United States is now seeing the peak for crude oil prices until next Spring because the Winter is not a time for expansion of gasoline consumption. Present prices will be maintained, he thought, and the results would be watched with the object of outlining future policy. He deprecated the suggestion that the rises of crude oil prices were artificial and the result of having been engineered under the coercion of NRA. He said that former prices were bankrupt prices, uneconomic and were bound to pass because most companies could not stay in the industry and accept prices which meant a continual loss. As Canada got most of her crude from the United States she had to follow suit when prices went up.

Simpson's Ltd. Sales Increasing in 1933

Not only have sales of Simpson's, Ltd., shown steady gains so far in 1933 but net earnings have shown a reversal of the downward trend indicated by the financial statements of the three preceding years. The improvement is so marked that it is understood that the dispute among shareholders prior to the last annual meeting as to whether or not dividends of Robert Simpson Co. had precedence over bond interest of Simpson's, Ltd., parent company, no longer has the same significance. Last year there was a net deficit of $177,313 after interest and dividends but this year both have been well earned to date and there are the fall season and the Christmas sales yet to come.

One feature of the declining profits of the two previous years had been the necessity under which all departmental stores labor of carrying large inventories and making heavy write-offs when prices declined. In spite of quick turnover Simpson's could not avoid such losses. That has not been a factor so far this year as prices have shown a stability not evident since 1929.

FRASER CO'S. MILLS WORK ON FULL TIME

(Continued from page 1)

understood that an improvement has taken place though not to the extent of justifying warranting undue optimism. In the last three years earning power has been sharply curtailed and there will have to be an appreciable increase in revenues before the company's finances are back on a sound footing.

The changed trend in operations and earnings, however, is reflected in a reduction of bank loans. At the end of last year the consolidated statement of Fraser Cos. showed $3,353,292 owing to the banks. With the increase in sales and liquidation of inventories this amount is being gradually cut down and by the end of the year is expected to be appreciably less.

Recovery is Underway

Fraser Cos. got into difficulties when the depression started in before they had completed their development programme involving an expenditure of several millions of dollars and greatly increasing pulp and paper productive facilities.

In the early part of 1931 it was found necessary to pass interest on the company's debentures. Advances of a temporary character were secured in order to enable the company to carry on. By the spring of 1932 it was apparent that the company would not be in a position to meet heavy maturing obligations at mid-year.

Relieved of Obligations

In June the trustee called meetings of the security holders to consider plans for the reorganization of the company. After several meetings and one or two changes in the original plan, a scheme was agreed upon relieving the company of funded debt charges until 1934. Certain debentures and unsecured notes were converted into common stock, while the old capital stock was reduced on the basis of one new share for each 20 held. Prior lien certificates were created and deposited with the banks as security for loans.

The financial statement for 1932 represented the first report since the reorganization. As the plan had only been approved a short time before the year ended, results did not fully reflect the change of either finances or management.

Cover Full Year

Report for the current year will be the first to cover a full 12 months' operation under the new plan. Also it will be the first in which the company will be able to demonstrate the value of the expansion programme under more normal circumstances. While considerable room still exists for improvement in the demand for and value of pulp and paper products, as well as for lumber products, the current year is expected to see a better volume of business than has prevailed since 1930.

SEE CREDIT EXPANSION URGENT NEED IN U. S. A. AS WAGE-RAISING FAILS

(Continued from page 1)

lend what may turn out to be slow loans, it may make them ineligible for the guarantee, and embarrass their future operations. As a result banks are making themselves solvent by sticking to government bonds and cash reserves. Also there are many insolvent state banks. Over 200 New York state banks are not eligible for the guarantee."

Inflation Plans

"Several sensational plans for inflation of one kind or another are under consideration by Mr. Roosevelt. Action is hampered by impending plans for refunding Federal debt. Advisers are urging, first, immediate devaluation of the dollar in terms of gold. The president knows that this would be ineffective without expansion of credit through banks. So it would offer little change. Second, it is suggested that inflationary powers be exercised by printing $3,000,000,000 in paper currency and purchasing Liberty bonds with it.

"So far it is agreed that open market operations have been completely unsuccessful. The rediscount rate of the Federal Reserve Bank of New York will probably be reduced.

"There is a good deal of dissatisfaction with the N. R. A. codes. There are likely to be many court tests before labor provisions are accepted by all industries. This will probably develop in metal and chemical trades, for instance. Some manufacturers will try to find out whether the government can legally enforce the collective bargaining clauses.

Industrial Dissatisfaction

"In a number of cases there is dissatisfaction with current operations which have fallen off in the last few weeks. There was considerable advance buying two or three months ago in anticipation of price increases. Thus some declines in purchases was inevitable. Now it is uncertain whether there has been a 'recovery' or not. October will be the important month. By then it will be possible to tell whether buying will have to be resumed, and whether there has really been recovery.

"France will have to go off the gold standard before much can be done about international currency stabilization. This would allow currencies to find an equilibrium, and might result in better international co-operation for business recovery. London is now embarrassed by a heavy influx of expatriated American money. The British realize that this money may be returned to the United States or elsewhere at short notice, and it is a disturbing influence. In Germany it is not unlikely that the Berlin bourse will have to be closed shortly. There is liquidation of securities there by emigré Jews and by those who dislike the situation and fear another mark inflation."

Washington observers hold that the international situation is far from clear and that further financial and economic disturbances may occur on this continent and in Europe in the early future.

Banking Situation

The banking situation in the United States is a heavy threat to success of the N. R. A. and banks are being blamed in some quarters for their failure to increase loans. On the other hand it is pointed out that banks have lent $728 millions to the U. S. government to carry out certain new deal schemes, have aided government credit by keeping rates low despite a huge impending deficit, repudiation of the gold clause and threats of inflation. Francis H. Sisson, retiring president of the American Bankers' Association, has publicly accused Washington officials of attempting to "establish an alibi for failure," in their criticism of the banks.

Financial Scepticism

Veiled scepticism of the N. R. A. programme is expressed by the Guaranty Trust Co. of New York, of which Mr. Sisson is vice-president:

"Many business enterprises find themselves in the position of having raised wages and shortened working hours without any clear idea how the resulting increase in costs is to be offset . . . to the extent that larger payrolls are balanced by higher prices, the increase in aggregate consumers' purchasing power is obviously nullified and the purpose of the plan is defeated.

"The whole situation provides a striking illustration of the closeness and intricacy with which economic conditions are interrelated and shows how the injection of an artificial element at any point in the system sets up an almost endless chain of complications, with ultimate consequences that are beyond the power of anyone to foresee."

This is representative of the views of orthodox finance and some economists to the "new deal."

Outside the United States, the experiment which is the N. R. A. is being watched with varying degrees of enthusiasm, consternation, amazement, and doubt. Dr. T. E. Gregory, eminent British economist, recently expressed his view of the N. R. A. as follows:

"The future of the N. R. A. is very black unless the United States is prepared to allow the value of the dollar to fall still farther. I don't think Roosevelt will put 6,000,000 back to work by the N. R. A. Its success so far has not been due to its inherent qualities, but because the people of the U. S. have been scared into buying goods before the rise in price."

The Midland Bank, London, considers the Roosevelt programme, at least as regards price-raising, identical with British aims. This institution, of which Reginald McKenna is chairman, suggests that the time has now come for considering again whether common action should be taken to bring the pound and the dollar into "practical association" by co-ordination of external monetary policies.

Ford's Independence

Henry Ford hasn't signed the automobile code, and apparently does not intend to do so voluntarily. He is an acknowledged independent, has always refused to join the National Automobile Chamber of Commerce, doesn't want to commit himself to an agreement which might allow competitors to get inside information.

Ford is also understood to object to the labor clause. He operates his plants on the open shop plan, employing union and non-union labor. The code provides that the signing manufacturer grants his employees the right of collective bargaining. While he is said to comply with the code in other respects, Mr. Ford apparently doesn't want to sacrifice part of his independence to competitors or to employees. He had an unfortunate experience last January when a strike in the Briggs auto body plants held up his new models for a month. Perhaps he has this in mind.

Constitutional Question

Ford's obduracy raises the constitutional question. General Hugh S. Johnson, N. R. A. administrator, but not a lawyer, seems to think the motor magnate can be forced to sign.

Blind Republican Senator Schall of Minnesota, who is a lawyer, says Ford is in within his rights, and would defend him in court:

"I feel it is my duty to volunteer assistance to the industrialist willing to prevent the nullification of the constitution of the United States."

Government's View

In answer to challenges that the N. R. A. is unconstitutional, U. S. assistant attorney-general Cummings defended:

"The constitution has met the test and is marching with the need of the times. Emergency legislation is recognized as such by the government and will be exercised within the letter and the spirit of the organic law."

While his meaning is not clear from this, it appears that he justifies the N. R. A. as an emergency measure. It is claimed that those who drafted the act were careful to indicate its emergency nature, thus making it legal.

"Buy Now" Campaign

The next phase of the N. R. A. ballyhoo will start Sept. 20 when a "buy now" campaign will be launched. Of this the verbose and forceful General Johnson remarked:

"We shall begin a campaign to try to convince the people of the need to buy freely—not as a patriotic duty, but as a prudent use of money."

He justifies the word "prudent" by pointing out that shorter hours, higher wages, and higher costs will soon mean higher prices to consumers.

Coincident with this inside information that retail prices will advance, various N. R. A. bodies are trying to prevent undue increases.

The agricultural administration, for instance, has urged makers of food products to refrain from using the blue eagle on retail packages lest it increase cost to consumers including farmers. Instead packers are given the right to file N. R. A. membership certificates with all wholesalers and grocers, these to be open to inspection. Packers can also furnish shelf insignia and can advertise N. R. A. membership. No figures comparing the cost of preparing certificates and shelf insignia, instead of labelling packages, have been issued.

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SOLD AT THE BEST MEN'S STORES.

Canadian Securities Come Under U. S. Law

Investment Banking Business Across Line Will be Revolutionized Unless New Act Materially Modified

By ROGER S. DAVISON

Every one of the 398 members of the Investment Bankers' Association of America, as well as hundreds of dealers in bonds and stocks who are not members of the association, are affected by the terms of the new Securities Act of the U. S. A. The whole basis of security selling in the United States has been entirely altered almost overnight. The Investment Bankers' Association of Canada has a membership roll of 121 members. These and many other Canadian dealers are asking themselves "will similar legislation be enacted in Canada?" and "how does the act affect the sale of securities in the United States by Canadian dealers?"

If it is true (and few will deny it) that the investor has not had a square deal in the past, the investment banker, bond dealer, broker, financial agent and all others engaged in the security business may expect to be more rigidly supervised in the future. The investment dealer's position of trust will likely be made more apparent and his standards of business, one may hope, will be raised to a higher level.

Must Give All Facts

The principal purpose of the U. S. Securities Act is to compel a full disclosure of all the facts in the sale of securities. If a company solicits capital or a loan from the public the true position of that company is to be made perfectly clear. If a security dealer or broker fails to hand the investor a detailed prospectus (in the case of a new issue) or if a dealer makes a misleading representation in effecting the sale of any security, he becomes liable to the purchaser for the full consideration paid or for damages. Under the act the issue may be a second mortgage on a windmill or equally as insecure and unpromising; that does not matter. The act makes no attempt to pass judgment on the investors' "bill of fare;" it only insists that the public is given complete information regarding the security it is asked to purchase.

In the past, security frauds legislation has been aimed chiefly at the "fly-by-night" stock pedlar. Existing legislation is only partially successful, however, in protecting the savings of the public. This fact was quickly realized by President Roosevelt who has approached the question of investment from a totally different angle. It is not a question of whether the stock is safe or speculative; it is not a question of whether the purchaser is able to investigate the integrity of the seller; in the future, as Mr. Roosevelt has said "let the seller also beware"—for a grave responsibility "to tell the truth, the whole truth and nothing but the truth" now rests upon him.

Investor May Sue

The provisions of the new act by which its purpose may be attained through control of security dealers and their methods of transacting business, are summarized as follows:

Registration of New Issues—In case any part of the registration statement, filed with the Federal Trade Commission, with respect to a new issue, is misleading any person acquiring the security may sue every underwriter of the issue to recover the consideration paid; or for damages if the security is no longer owned. If there is more than one underwriter all are jointly and severally liable for the full amount of the claim.

Penalty — An underwriter who is liable under this section of the Act may escape liability only if he can prove that after reasonable investigation he had "reasonable ground to believe and did believe" that the facts presented in the registration statement were not misleading. In determining what constitutes "reasonable investigation" and "reasonable ground for belief" the standard of reasonableness shall be that required of a person occupying a fiduciary relationship. Thus an underwriter practically becomes a trustee for those who purchase a new issue. The definition of an underwriter in the act includes any person acting directly for the issuer whether he purchases the security or merely acts as an agent on commission.

Sale of New Issues—(1) Unless a registration is in effect it is unlawful for any person to sell (or offer to buy) or deliver after sale, any security which has not been on the market for one year after its original public offering.

(2) It is also unlawful for anyone to sell or to deliver to the buyer any security (not issued for at least one year) unless the buyer is given a prospectus which is a substantial replica of the registration statement.

Penalty: Violation of the above sections leaves the dealer open to suit by the purchaser for the consideration paid or damages.

Sale of any security — No person shall sell any security (except U. S. government, state, municipal and bank issues) by means of a prospectus, circular or oral communication which is misleading.

Penalty: The dealer will be liable to the purchaser for the consideration paid or for damages.

Fraudulent transactions generally —(1) A person under this section shall not employ any fraudulent device or scheme in connection with the sale of any security or otherwise engage in a fraudulent transaction.

(2) It is unlawful under this subsection for any person to advertise or refer to a security in any way if a consideration is received and this fact not disclosed in the advertisement or statement. The amount received must also be stated. (Thus a dealer must be careful to disclose any commission to be obtained for securing deposit of securities under a plan of reorganization).

Penalty: Wilful violation of any provision of the act may be penalized by a fine not in excess of $5,000 or impris...ment for not exceeding five years, or both.

Other Provisions

The above provisions, which are the principal ones affecting security dealers, are modified and elaborated by other sections of the act. For example it states that any attempt to have the customer waive his rights under the act when purchasing a security, shall be void. A dealer is exempt from the penalties imposed by the act with respect to the registration of new issues and prospectuses where

(1) the sale is made more than one year after the date of the last public offering of the security, and

(2) where the dealer acts as a broker and where he does not solicit the order.

It is believed that if a broker does not solicit an order he is exempt altogether from the act with the exception of the section dealing with fraudulent transactions generally.

Since the enactment of the U. S. Securities Act probably no single class of persons engaged in legitimate business in the United States is so completely hedged in by restrictive legislation as the dealer in securities. Not only must he tread warily as far as his own actions are concerned but he can scarcely avoid accepting heavy responsibilities for the statements of others. If sued by the holder of a security purchased from him, his only escape from the severe penalties imposed upon him is to prove either;

(1) that the purchaser knew of the misleading statement at the time of the purchase or

(2) that he, the dealer, did not himself know of such misleading statement, or omission of a material fact, etc., and could not, in the exercise of reasonable care, have known of it.

The burden of proof is on the vendor—not on the buyer—which is one of the novel and startling features of this latest, and most determined, effort to protect the investing public.

Rescission Can be Had

Another strange angle of the Securities Act is the imposition of absolute liability even though the loss to the investor may be due to causes in no way related to the error on the part of the issuer or dealer. For example, a financial house might make an incorrect statement with respect to the capitalization of a certain company when selling its stock. If a year or so later the stock market crashes carrying this issue down with all others, the purchaser of the stock in question could recover the purchase price from the dealer, or, in the case of a new issue, from the company directors, underwriter, etc., by suing him in any competent court although the loss was not due to any change in the position of the company itself. Some modification of this feature of the act will no doubt be effected at an early date.

While all of the consequences of the Securities Act will not be apparent for many months after it has been in operation, it is nevertheless possible to predict that the present practice of dealing in securities in the United States will undergo a radical change.

See End of Underwriting

In the first place the underwriting of new security issues is very likely to cease altogether, unless the act is changed. Since a dealer who participates in the underwriting of a new issue becomes potentially liable for the full amount of the issue there will be much less desire on the part of dealers to accept a position in the "purchasing syndicate." A firm with a one per cent participation in a million dollar issue might be sued for the entire amount although its profit from the deal would not in all probability exceed $250.

In England it has been the custom for many years for a new issue to be underwritten by a large number of financial institutions of all sizes. In the United States and Canada, however, it is customary for only a few financial houses to join in purchasing a new issue and then re-selling it to a large syndicate at an advanced price. Underwriting in its strictest sense is rarely practised. Under the Securities Act the houses of issue will hesitate to purchase a large new issue of bonds or stock since the Federal Trade Commission may at any time issue a stop-order preventing its sale either to other dealers or to the public. Such action would undoubtedly render the subsequent sale of that security extremely difficult if not quite impossible. A purchasing syndicate might therefore very easily become "hung up" with a frozen security. The risk is out of proportion to the profit.

Retard New Financing

It is possible that one result of the act will be a retardation of new and necessary financing. In the United States and Canada a large volume of both refunding and new issues only awaits a favorable market. Many observers believe the act must be revised in order that legitimate financing may come to the aid of business recovery.

Several Canadian bond houses have branches in New York and nearly all Canadian financial houses transact business in the American market from time to time. All Canadian securities offered for sale in the United States are subject to the provisions of the act. New issues must be registered with the Federal Trade Commission and must not be offered either to other dealers or to the public until the registration statement has been filed for a period of twenty days in the case of a corporation and seven days in the case of a Government or a municipality. If this statement should be misleading in any material way it is likely that the liabilities imposed by the act could be enforced against the Canadian dealer by a purchaser living in the United States. The liability with respect to prospectuses would be enforced in the same way.

If the issue is not a new one the dealer has no responsibility other than to be certain that the sale is not accomplished by means of a misleading representation of the facts, and that he has exercised reasonable care in investigating the truth of the statements made. Canadian dealers, however, should not undertake the sale of securities in the American market until the terms of the act are understood and complied with.

The next article in this series on the "Securities Act of 1933" will analyze the act from the point of view of the investor.

DOMINION COAL BETTERS STATUS IN PAST SEASON

Operating Profits Larger and Liabilities Cut $1,000,000

From Our Own Correspondent

MONTREAL. — Dominion Coal Co., controlled by Dominion Steel and Coal Corp., reduced its liabilities by more than $1,000,000 and increased its operating profits from $158,826 in 1931 to $941,194 in 1932. After taking care of sinking fund, depreciation and interest charges, there was a deficit for the year of $418,027 compared with a deficit of $1,223,072 in the previous year.

This improvement was effected despite the fact that conditions during 1932 continued to be unfavorable due to the restricted requirements of industries and railways. The better financial returns were due chiefly to curtailment of operating and administrative expense and to the placing of a considerable tonnage in territory which it was possible to reach by means of subventions granted by the Federal Government with respect to freight rates.

Better Outlook Now

In his report, Sir Newton Moore says that the latter factors will be more particularly effective during the current year and any improvement in general business conditions should be reflected in a more satisfactory ratio of operating costs to revenue as the months pass.

Following is the profit and loss statement for 1932, together with comparative figures for 1931:

	1932	1931
Operating profit	$941,174	$158,826
Less: C. R. & C. share	121,096	127,485
S. F. & deprec. ...	730,000	730,000
Balance	90,098	*698,659
Less: Interest chgs.	508,125	524,413
Loss for year	418,027	1,223,072
Add: Prev. deficit ..	153,569	†1,069,503
Deficit forward	571,596	153,569

* Deficit. † Surplus.

Reduce Debt Charges

Balance sheet position of Dominion Coal Co. at the end of 1932 showed a general improvement. The funded and mortgage debt was reduced from $6,863,500 to $6,585,000. Bank loans at $70,242 showed a reduction of $388,577 from those reported at the end of 1931.

Balances payable in liquidation of accounts of associated companies have been reduced from $2,145,128 to $1,747,316.

Miscellaneous operating reserves show an increase from $1,580,628 to $1,900,592.

The increase in reserves for depreciation and depletion has cut down the book cost of properties from $25,451,913 to $24,971,824.

Better Inventory Position

During the past year the management was able to effect a reduction of inventories which are now carried on the books at $1,198,023 compared with $1,742,474 a year ago. Cash on hand shows a slight reduction, while trade accounts receivable are about the same as those reported a year ago.

Among deferred charges to operations, discount on Cumberland Railway bonds has been reduced by nearly two thirds to $36,756. Insurance and other expenses paid in advance are slightly higher at $203,744.

SCOTIA STEEL DEFICIT LARGER FOR PAST YEAR

Property Placed in Hands of Receiver Since January Last

From Our Own Correspondent

MONTREAL.—Nova Scotia Steel and Coal Co. and subsidiary units report a combined loss from operations of $602,613 in 1932 as compared with a profit of $67,932 in 1931. After making provision for sinking funds and depreciation of plants, Nova Scotia Steel had an operating loss last year amounting to $1,102,413 as against $421,868 in 1931.

Since the close of last year, Nova Scotia Steel and Coal Co., having made default in respect to its first mortgage bonds and debenture stock, was placed in the hands of receivers and liquidators and its operations since January 19 last have been conducted by them, but without any serious interference with the relations hitherto prevailing between Nova Scotia Steel and Dominion Steel and Coal Corp.

Deficit Shows Increase

Following are comparative profit and loss accounts for 1932 and 1931:

	1931	1932
Operating profit ...	$ 67,932	*$602,613
S. F. & deprec.	499,800	499,800
Operating loss	421,868	1,102,413
Add:		
Interest chgs. (net)	590,583	524,097
Net loss	1,012,451	1,626,510
Add:		
Eastern Car divid.	45,000	45,000
Total deficit	1,057,451	1,671,510
Deficit—previous	**28,373	1,029,077
Deficit forward	1,029,078	2,700,587

* Profit. ** Surplus.

Sinking Fund Operative

Examination of the consolidated balance sheet of Nova Scotia Steel at the end of 1932 shows that the company has reduced its outstanding first mortgage bonds from $4,576,496 to $4,381,761. The 6 per cent mortgage debenture stock remains unchanged, while the Eastern Car Co. first mortgage bonds have been reduced from $684,600 to $650,400.

Other changes among liabilities are of a minor character and relatively unimportant.

An increase in the reserve for depreciation and depletion of minerals has reduced the company's capital assets from $25,389,490 to $24,788,539.

Inter-Company Debt Down

Current assets are slightly lower, while balances receivable in liquidation of current accounts with associated companies have been reduced from $1,261,500 at the end of 1931 to $400,883 at the close of 1932.

Deferred charges to operations amount to $160,009, or about $21,000 less than a year ago.

The profit and loss account deficit now stands on the books at $2,700,587 against $1,029,078 at the end of 1931.

Imports of Farm Machinery

Imports of farm implements and machinery in July totalled in value $262,407 compared with $203,089 in June and $176,742 in July, 1932. The value of those which came from the United States was $248,165 and from the United Kingdom $5,062. Traction engines at $68,482 was the chief item.

WOULD USE RELIEF FOR CONSERVATION IN SASKATCHEWAN

Says Water Areas Needed — Relief Works Could Provide Them

By WILLIAM G. ROSS, K.C.

MOOSE JAW.—Game supplies in Southern Saskatchewan are becoming depleted because of elimination of water supplies and inroads of intensive agriculture. Many of us feel that a very serious economic loss has occurred with the disappearance of myriads of waterfowl. Climatic conditions in the past five years have greatly increased this loss. They have also loaded us with an entirely new problem, that of administration of relief.

Everyone is now convinced beyond doubt that the relief problem is going to be more acute in the West this year than it has been since the depression started. The backs of the municipalities are broken because of the additional burden they have had to bear and because they have been unable to collect taxes on non-revenue-bearing properties. The province is thus suffering from an extremely straitened financial condition.

Conservation Solution

One angle of the solution in getting out of our present difficulty is the placing of men at work on the conservation of water in the dried out areas of the Western provinces. In order to put some force behind the work of conservation an association was formed to get public opinion behind the proposal to dam the Qu'Appelle Valley east of its confluence with the Moose Jaw River. This particular work on the greater conservation scheme presents no engineering difficulties. It is simply a matter of a small quantity of flooded land, man power and horsepower. It is estimated that the wood salvaged from this work would pay a substantial part of the cost.

The result would be the creation of a splendid lake, 25 miles long, one-half to three-quarters of a mile wide and from 10 to 20 feet deep. It would be one of the finest fishing lakes of all the Qu'Appelle Lakes and a first-class game breeding ground.

Water Areas Needed

T. C. Main, last year reported to the water conservation commission that it is very desirable to increase the ratio of water area to land area in Saskatchewan. This general conservation scheme calls for raising the levels of lower Qu'Appelle Lakes with small dams. Another splendid project is the damming of Pelican Lake, northwest of Caron.

The cold candid truth about these projects in Saskatchewan is that the provincial government can't finance it. Mr. Bennett has not yet declared himself on the matter of public works to assist relief. We are a long way from Ottawa in miles as well as sympathy.

Need Ottawa's Aid

These legislators of ours at Ottawa can vote a million dollars for Government controlled radio, but ask them for one million dollars for this useful conservation work, tested by sound, hard-headed economists, and they are slow, slow to wake up to the great possibilities at their door step.

At Dundurn, we have had 800 men during the past summer building a landing field for airplanes and completing a military camp. This method of utilizing relief labor cannot be justified. The expenditure of relief money in that manner is nothing but a crime against sound economic principles and justice. Divert that money and that man power into any of the various links in this conservation scheme, and you are providing work that will bear dividends and provide a lasting memorial to those with initiative enough to take hold of it, and carry it through to a successful conclusion.

Leather Footwear Output Made Record in July

Continued advance is shown by the Canadian leather footwear industry in quantity of output, production for the month of July reaching a total of 1,974,867 pairs, an increase over the preceding month of 9,220 pairs, and an increase over July, 1932, of 595,383 pairs. July production is the largest recorded by any month of the period for which monthly statistics are available, viz., January, 1926, to the present. The total output for the seven months ended July 31 was 10,798,759 pairs, or an average per month of 1,542,680 pairs, compared with a total of 10,509,069 pairs and a monthly average of 1,501,295 pairs for the corresponding period of 1932.

A further decline is recorded in the importation of footwear (not including rubber goods) into Canada in July, as compared with July, 1932. The total quantity, comprising footwear with leather uppers, canvas uppers and felt uppers was 14,126 pairs, compared with 22,487 pairs in July, 1932. The total value of footwear (not including rubber goods) imported was $26,753, a decrease from July, 1932, of $14,066 or 34 per cent. The exports totalled 1,753 pairs valued at $4,276, compared with 2,065 pairs valued at $4,179 in July, 1932.

Bi-Carbonate, Sal Ammoniac Coming Mostly from U. K.

The trend of imports of sal ammoniac this year is distinctly toward trading with the United Kingdom. During the first four months of the present fiscal year 314,724 pounds came from Great Britain and only 4,436 from the United States, whereas in the same period of 1932 the quantity from Great Britain was 57,117 pounds and from the United States 127,082.

The quantity of sal ammoniac screenings from Great Britain was 61,974 pounds and from the United States 13,989, but in 1932 Canada got only 5,524 from Great Britain and 10,590 from the United States.

Import Electric Refrigerators

Electric refrigerators imported in July numbered 577 of the value of $27,822 compared with 88 at $11,925 a year ago, all from the United States, but electric heating apparatus imported was less.

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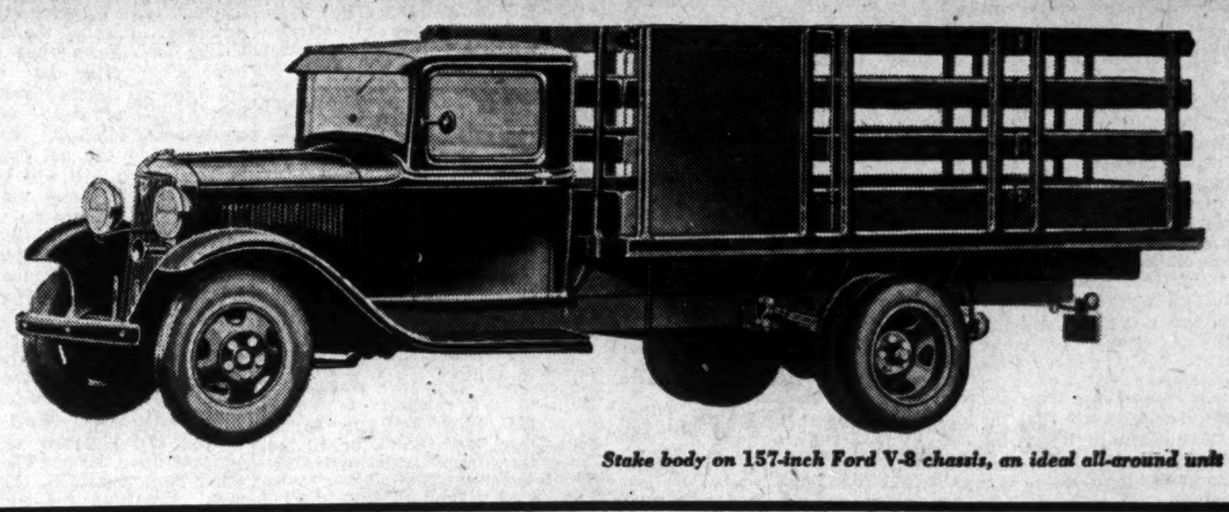

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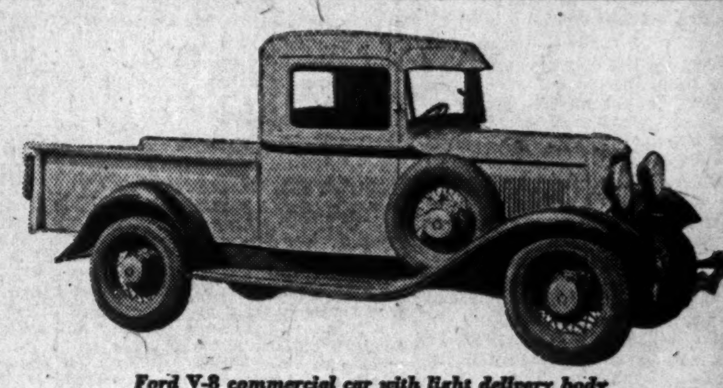

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Aluminum cylinder heads. Provide increased power and smoothness and save fuel.

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Utilities and Transportation

Quebec Power Charges Should be Scaled Down Says Board of Enquiry

Commission of Three Submit Report to City Council

ACTION SUGGESTED

Municipal Plant Not Favored by Board — Proposed Rates Would Limit Earnings

From Our Own Correspondent

MONTREAL. — Quebec Power Co.'s customers are entitled to a reduction in rates amounting to 20.7 per cent of the present revenues in the opinion of a Commission of Enquiry, composed of R. A. Ross and Arthur Surveyer, of Montreal, and Edouard Hamel, of Quebec.

For some time past the matter of electric rates in Quebec City has been the subject of a dispute between the city authorities and the Quebec Power Co. The latter offered a new schedule of rates that would remain in effect until 1935. While it called for a reduction in charges, the city council did not favor the offer and created a commission to investigate the situation with a view to determining the method or methods which might be used to secure a lower schedule.

Consumption is Low

The commission found that the average consumption of electricity per consumer in Quebec is comparatively low. Between 1929 and 1932 residential and commercial consumption increased probably as a result of several reductions in rates, but the total consumption in 1932 was lower than in 1929, because of a greatly decreased use of power for industrial purposes.

The company stated its revenue for 1932 to be $1,660,625 and was willing to reduce this figure for the period ending 1935 to $1,591,154 and further to $1,573,454 after that year.

Thinks Revenue Too High

The commission thought the yearly revenue for the period ending 1935 as submitted by the company was too high. The company's figure of $1,591,154, they believed, should be reduced to one of $1,074,386 and that of $1,573,454 for the period commencing in 1936 should be reduced to one of $903,486. The commission thought that a fair revenue per annum would approximate $1,316,996 instead of $1,660,624 which was the company's revenue for 1932.

In order to obtain this return it would be necessary to effect a reduction in rates which would call for a cut of 20.7 per cent of the present revenue.

Prepare New Schedule

The commissioners have prepared a rate schedule wherein it is pointed out that the rates have been designed to give the company an annual equivalent revenue to what is considered the fair cost of rendering the service. The result of the introduction of these rate schedules would be to reduce the cost of residential service by 26 per cent; of commercial service by 23 per cent; of industrial service by 9 per cent; and of street lighting by 36 per cent.

Methods of Procedure

In their report the commissioners suggest that the best interests of the City of Quebec would be served by the reopening of negotiations with the Quebec Power Co. to secure the adoption of the new rate schedules as submitted. Should such negotiations fail to reach an acceptable result, the commissioners assert that the city should then make application to the Quebec Public Service Commission for the enforcement of the proposed rate schedule.

The commissioners state that the data they have compiled places the city in an excellent position to present its case before the Public Service Commission.

No Monopoly of Service

A third method whereby the city might secure a reduction of rates is discussed by the commission. This is the municipalization of electric services. The commission found out that the franchise of the Quebec Power Co. to sell electricity in Quebec is perpetual but by no means exclusive. Legal opinion, they state, is to the effect that the City of Quebec could enter into competition with the company, but only in the following classes of electric service: entire municipal requirements; residential lighting and commercial lighting.

Municipalization would have to be authorized by property owners by way of a referendum. The commission believes that the capital cost and operating expenses of a municipal plant to supply electric energy for civic purposes only would be $1,912,728 capital cost and $297,102 operating cost by means of a steam plant and $1,859,810 capital cost and $292,588 operating cost by means of Deisel engine equipment.

In studying this phase of the situation the commission came to the conclusion that the required capital expenditure for a municipal plant is heavy in proportion to the benefits to be accrued and the uncertainty of the results. They state that municipalization should not be undertaken until a thorough study has been made of the nature and size of the load that could actually be secured and "it should only be carried out to such an extent that the consumption would absorb all the costs incurred."

Until the commission's report is distributed, no details are available as to the manner in which the commissioners arrived at their calculations or conclusions.

At the end of 1932 Quebec Power Co. served 45,267 electric customers, compared with 44,361 in the previous year. Electric power generated and purchased did not follow the same trend, the total for 1932 amounting to 127,788,444 kw.h. as against 148,079,486 kw.h. in the previous year.

Cut Rates Four Times

Power rates have been reduced by the company four times since 1926, the last reduction being made in July, 1931. The schedule at present in force calls for an urban service charge of 33 cents a month, plus 4 cents per kw.h. for the first 30 kw.h. per month; plus 2½ cents per kw.h. for the next 240 kw.h.; plus 2½ cents per kw.h. for balance of consumption during the month, with a monthly minimum charge of 70 cents. A discount of 10 per cent is allowed for prompt payment of accounts.

Net operating income, which covers receipts from sale of electricity, gas, tramway and railway services, has tended to decline in recent years. Net earnings, before depreciation, amounted to $1,970,304 in 1928. They increased to $2,380,999 in 1930, dropped to $2,004,800 in 1931 and again declined to $1,865,228 in 1932.

Chats Falls Project Pays $5 Dividend

From Our Own Correspondent

MONTREAL. — Ottawa Valley Power Co., which completed a 224,000 h.p. hydro electric development at Chats Falls on the Ottawa River last October, paid a dividend of $5 a share on its common stock in 1932. The company has issued 50,000 shares, of which the majority are owned by Calgary Power Co. The latter company secured control of the enterprise last year.

The Chats Falls development of the Ottawa Valley Power Co. is a joint project carried out with the Ontario Hydro-Electric Power Commission. The development is being used jointly by the two parties under an agreement extending for 75 years from March 1, 1926. All of the power produced is being taken by Ontario Hydro.

Duke-Price Power Co. Retiring Block of Bonds

From Our Own Correspondent

MONTREAL. — Duke-Price Power Co. has deposited $228,696 with the trustee for the purpose of retiring first mortgage bonds. At the end of last year the company had outstanding $36,095,000 of funded debt. With the bonds at parity the debt would be reduced to $35,866,304 by the operation of the sinking fund, but inasmuch as the company's bonds are selling at a discount it is expected that the number of bonds retired will be well in excess of $250,000.

Port Royal Pulp Places Job With Dominion Bridge

From Our Own Correspondent

MONTREAL.—Dominion Bridge Co. has secured a contract from the Port Royal Pulp and Paper Co., of Fairville, N.B., for the construction of two oil tanks as part of the pulp company's new heating system. One of the tanks will have a capacity of 2,000,000 gallons and the other will be able to store 3,000,000 gallons. A pipe line of 1,000 feet of 10-inch feed leaders is to be added connecting the tanks and mill.

DOMINION GLASS KEEP DIVIDENDS UP IN PAST YEAR

No Marked Change Seen in Earnings — Bonds Are Retired

From Our Own Correspondent

MONTREAL. — Dominion Glass Co.'s fiscal year ended on September 30 and it is reported that net earnings available for distribution on the common stock were not sufficient to cover dividends amounting to $5 a share. During the 1932 fiscal year the company earned $3.53 a share as against payments of $5 a share. The full dividend was continued during 1933 though earnings are said to have shown no marked improvement. This the company was able to do owing to its strong liquid position.

The principal development in connection with the company's finances over the past fiscal year was the maturity of the company's outstanding funded debt on June 2. Back in 1913 Dominion Glass issued $2,000,000 of 6 per cent first mortgage bonds. Through the operation of the sinking fund the principal amount was reduced to $465,700 at September 30, 1932. Upon maturity of the bonds at mid-year, the company was able to retire them without the necessity of carrying out additional financing.

Preferred Senior Security

Consequent upon the redemption of the funded debt, Dominion Glass's senior security is now the preferred stock of which $2,600,000 is outstanding. This stock is entitled to cumulative dividends and is non-callable.

The preferred stock is the only security having priority over the common stock. Of the latter $4,250,000 is issued, the shares having a par value of $100 each. Dividends have been paid regularly on this stock since 1918.

Canada Electric Co. Places Value on Property

From Our Own Correspondent

MONTREAL. — Canadian Electric Co., operating in Amherst, has filed a valuation of its properties with the Nova Scotia Board of Public Utilities in support of its petition asking for a new valuation for the purpose of fixing a proper rate base.

The company's investment in its properties is estimated at $2,295,266, the total cost to reproduce at $2,250,624, and the present total value at $1,858,431. Organization costs are placed at $71,600 and working capital at $72,522. The value of the company as a going concern is estimated at $191,680 originally and at $187,622 for reproduction cost and estimated value.

The board will make its own valuation at a later date.

Eastern Telephone Bonds Called for Redemption

From Our Own Correspondent

MONTREAL.—Holders of the first mortgage 6 per cent bonds, due 1947, of the Eastern Telephone and Telegraph Co., subsidiary of Atlantic Utilities which in turn is controlled by Maritime Telegraph and Telephone Co. have been notified that their bonds will be redeemed on October 2 next at a premium of 5 per cent.

Funds for this purpose were secured recently through the sale by Atlantic Utilities of $500,000 of 5 per cent. mortgage and collateral trust bonds. The Eastern Telephone mortgage, amounting to $80,500, is secured by mortgage on the company's Halifax building.

Canada Chief 1932 Market for Products of Barbados

Canada was the chief market of Barbados in 1932. The exports to Canada were valued at £619,359 or 72.9 p.c. of the whole; to United States £113,680 or 13.4 p.c.; to the United Kingdom £43,183 or 5.1 p.c. The imports from Canada were £262,942 or 17.7 p.c.; from United States £279,891 or 18.8 p.c.; from United Kingdom £516,603 or 34.7 p.c.

Barbados is 21 miles in length and 14 in width. It is one of the most densely populated areas in the world, with a total population of 156,312 or 940 to the square mile. It is well and favorably known as a tourist resort.

Vehicle Imports Increase; Bicycle Trade Up Sharply

Imports of vehicles of iron in July totalled in value $1,072,585 compared with $891,807 in July last year. Parts from the United States accounted for $921,711. There were 31 autos from the United Kingdom and 149 from the United States.

Bicycle imports boomed in July, totalling 653, compared with 169 in the same 1932 month and 210 in 1931. Of the total 635 came from Great Britain. The increase reflects the curret vogue for cycling.

Disposal of Estate Should be by Will

Counsel of Experienced Advisers Should be Obtained—Some Degree of Liquidity Essential —Delayed Distribution Provided in Trust

A will is such a personal document and the requirements of individuals vary in such degree that no series of articles can do more than to present an outline of some of the major points that should be taken into consideration. Such has been the object of the series of which this is the concluding article. If the material presented has served a constructive purpose in guiding the thought of readers of The Financial Post as to the best methods to follow in providing for distribution of their estate in the event of death, the purpose of the series will have been accomplished. A brief résumé of the chief points considered in this series is presented in this article.

In the first place a laissez faire attitude should not be taken with respect to the preparation of a will. If a person dies intestate, i.e., without a legally acceptable will, the assets in the estate will be distributed in accordance with the laws of the province in which the deceased resided at the time of his death. These laws of intestate succession provide for the distribution of the estate among the nearest relatives of the deceased and permit of no latitude. The expressed wishes of the deceased carry no weight unless they are incorporated in a properly written will, and, as a result, the assets in the estate may be distributed in a manner diametrically opposed to the plans of the person who did not take the trouble to record his wishes in legal form. Actual hardship may be worked upon dependents of the deceased who, because of their degree of relationship, receive little or no share in the estate under the laws of intestate succession. If you are married and have children the children may receive two thirds of your estate and the remaining third may be quite insufficient to provide a living for your wife. If you are not married distribution may be made to next of kin in whom you have no interest while other relatives may receive nothing. Further, no provision is made for withholding payment until such time as the heirs may be capable of handling the money and property placed in their hands and your estate may be unwisely dissipated.

System is Needed

It should not be difficult to provide for the distribution of the average estate providing the problem is approached in a systematic manner and with some knowledge of the methods of distribution that are available. All of the assets in the estate should be listed. Part of the estate may be in cash, bank balance or the proceeds of life insurance policies; some may be in readily negotiable securities or saleable property. Part of the estate may be in such form that immediate liquidation will be impossible. Totalling all assets gives the gross estate to be left and from this must be deducted liabilities that must be paid leaving the net estate. Part of the net estate will be revenue producing but there may also be assets that produce no revenue at the present time and have only a potential value. It is from the revenue producing portion of the estate that the needs of dependents must be met.

With the probable size of the estate to be left clearly in mind, it is possible to determine how much can properly be left to various beneficiaries. Most men have a wife and children who are dependent upon them. There may be other responsibilities that must be met. Provision for such dependents will be the first consideration in such cases. Bequests to friends, to servants, to various charities or institutions may also be considered and if so it is desirable that these beneficiaries receive some percentage of the value of the estate rather than stated amounts that are payable before payments are made to the chief beneficiaries. When an estate is composed largely of securities or property that may fluctuate widely in value within a comparatively short time there are many cases on record where the value of the estate has been so reduced that the residual legatees who were to receive the greater part of the estate actually received less than the beneficiaries of minor importance.

Counsel is Valuable

Once the will is probated it becomes a document subject to legal interpretation and this interpretation may be quite different from the intention of the testator. This is but one reason why the services of a lawyer or legally trained trust officer should be obtained when the will is written. The value of such counsel lies not only in the proper phraseology of the will but also in the suggestions that may be made that can save substantial sums of money such as in reducing succession duties. The lawyer, the trust officer and the experienced life insurance underwriter may also be able to suggest methods of distributing the estate to beneficiaries that will assure the continued protection of dependents against their own errors of judgment. The cost of experienced counsel may be decidedly small in comparison to the benefits received.

Choice of an executor for the will is important. It may fall on a friend or relative, a lawyer or a trust company. The last, as a corporation will assure a degree of permanence that cannot be with an individual. The trust company, specializing in the handling of estates and trusts, has a trained personnel competent to deal with the many problems involved in handling the various assets in an estate whether it be the sale or rental of real estate, the management or liquidation of a business, the handling of investments. It is not unusual for the wife to be appointed executor and this may place a responsibility upon her to which she is not accustomed. In such a case a trust company may be appointed co-executor or may be named as an adviser. The duties of an executor call for integrity, business experience and good judgment; the responsibilities are such that many individuals do not care to act since it interferes with their own business. Charges are fixed by the court and vary between 2½ and 5 per cent of the realized value of assets in the estate. Payment is made only as assets are distributed.

Estate Should be Liquid

It is desirable that the estate shall include sufficient cash or readily negotiable securities to provide for payment of expenses that arise at death as well as some distribution to dependents who may have no other source of revenue. If the estate does not contain sufficient liquid assets it becomes necessary to sell assets at sacrifice prices that might be worth considerably more if they could be held. In connection with non-liquid or frozen assets it is sometimes advisable to provide the executor with discretionary powers permitting him to hold or to sell. Under the law, executors are not permitted to hold such assets for any length of time unless instructions are left in the will. The executor can only invest in trustee securities, as defined by the various provinces, and his actions are otherwise circumscribed.

Distribution of an estate may be made by the executor as soon as legal formalities have been completed and the assets realized on. Immediate distribution, however, is not suitable in all cases since the beneficiary may dissipate his inheritance by unwise investments to mention only one of many possibilities. Distribution may be deferred by setting up a trust and the appointment of a trustee who may be the same person or company as is acting as executor of the will. The trust is a flexible instrument that can be drawn to meet any requirements. Through it, dependents can be relieved of investment problems and assured periodic payments for life if the estate is of sufficient size; or principal can be paid at the end of a stated period. A bequest in a will is usually made with some definite object in mind and a trust practically assures that the objective will be reached and the bequest used in the manner intended. As in the will, it is often desirable to give the trustee some degree of latitude which might include power to draw on principal if necessary. The trust may also serve to reduce the amount payable in succession duties.

Succession Duties May Be Large

Succession duties are levied by each of the provinces and vary according to the size of the estate left and the degree of relationship of beneficiaries. Each of the provinces has a different schedule of rates which increase according to the size of the estate. Small estates are taxed lightly or not at all in most cases, but in large estates the tax may be a very considerable proportion of the value of assets left. A trust may be useful in avoidance of double succession duties, by transmitting property by one will rather than two. If, for example, a man has a wife and grown-up children he may wish his wife to have full use of his estate in the event of his death with the understanding that when she dies the property will go to the children. Both the man and his wife could make a will and should he predecease her there would be two succession duties to pay upon the same estate. A trust could be drawn, on the other hand, that would give the wife a life interest in the estate, which, on her death, would be divided among the children. On the latter basis there would be but one payment of succession duties. In even a moderate-sized estate the saving might be substantial.

Trust Gives Protection

The insurance trust is one of the several forms of trusts but one that is useful because so many people build up an estate by buying life insurance. Ordinarily the proceeds of a life insurance policy are paid directly to the beneficiary either in a lump sum or in periodic payments. The life insurance trust provides for payment to a trustee who distributes the money as stipulated in the trust deed. Life insurance underwriters who specialize in wills and estates are able to give excellent advice as to how the proceeds of insurance policies can be handled to assure protection of dependents. One important point to remember is that if life insurance moneys are to be handled by the executor or trustee as part of the estate, the policy should be made payable to the estate rather than to one particular beneficiary.

No one should put off making a will or, in making a will, attempt to save pennies that may result in the loss of pounds. Approached in a systematic manner, the disposal of property through a will is not a difficult matter but it is essential that the wording of the will be such that no possible differences shall occur in its interpretation. Drawn by an inexperienced person there are many features that may easily be overlooked, and the assistance of experienced counsel is therefore recommended strongly. If conditions change, the will can always be amended or brought up to date by adding a codicil, or a new will can be written.

Note: This is the last of a series of 11 articles dealing with wills, estates and trusts. This series will be published in booklet form and will include the succession duty rates in effect in each of the provinces.

School Fairs Popular

A total of 78 school fairs are scheduled for Nova Scotia this year, of which all but seven will take place in September, the first two taking place on the same day, September 11, at Collingwood in Cumberland county and at Marion Bridge in Cape Breton county.

CAN. MACHINERY HAD LOSS IN 1932

Cash is Low But Working Capital Still Large; Retires Bonds

Operations of Canada Machinery Corp. in the year ended January 31, 1933, resulted in a loss of $49,351 before payment of bond interest amounting to $18,105. Operating loss in the previous year was $45,638. Manufacturer of wood and iron-working machine tools, sales of the company have been adversely affected by lack of general industrial activity. Liquid position was weakened but ratio of current assets to current liabilities is 2.99 to 1.

Income and surplus account for the past three years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended January 31

	1933 $	1932 $	1931 $
Net earnings ..	†49,350	†45,638	23,646
Less: Bond int.	18,105	18,105	18,105
Inc. taxes ...	......	878	1,476
Surp. for year	†67,455	†64,621	4,065
Add: Pr. surp.	127,240	195,046	190,981
Less: Sundry adj.	1,486	3,185	......
Bal. forward ..	58,299	127,240	195,046

†Deficit or loss.

While cash has been reduced to $5,743 from $12,854, accounts and bills receivable to $39,978 from $89,955 and inventories to $328,147 from $358,797, accounts and bills payable are up to $119,381 from $115,276 and accrued bond interest is slightly higher at $9,382. Working capital has been reduced to $256,682 from $337,083. Working capital position is as follows:

Working Capital
As at January 31

	1933 $	1932 $
Current assets	373,868	461,606
Current liabilities	128,763	124,523
Working capital	245,105	337,083
Ratio	2.90—1	3.71—1

Investment in lands, buildings and machinery remains practically the same at $1,454,049. A new item in the balance sheet is $10,674 expended on development of new products. Advances to subsidiary remain at $50,500 under non-current assets while another $11,577 is regarded as current. Funded debt consisting of six per cent first mortgage bonds has been reduced to $162,250 from $175,750. There remains outstanding $602,450 of preferred stock and $960,000 of common stock, shares having par value of $100 in each case.

Note:—See page 2 for information as to how a complete analysis of this company can be obtained.

July Imports of Rubber Show Increase in Value

The imports of rubber in July totalled in value $376,539 compared with $337,275 in June and $287,880 in July, 1932. Raw rubber imports comprised $196,325 from the United States and $3,456 from the Dutch East Indies.

Rubber boots and shoes came mainly from the Straits Settlements, United States and Great Britain, golf balls from Great Britain, pneumatic tire casings from the United States, bicycle tires from Great Britain and Belgium.

Imports Alcoholic Beverages Suffer Marked Decrease

The importation of alcoholic beverages into Canada has been much reduced of late, the reduction in the past twelve months being in value over six million dollars. The value for the twelve months ending July was $13,789,000 compared with $19,918,000 in the previous twelve months.

The importation of brandy has dropped from 210,000 proof gallons to 77,000, gin from 179,000 to 101,000, whisky from 537,000 to 424,000. The importation of wines has also decreased considerably.

Canada Produces Caviar

More than 320,000 pounds of salted salmon roe and about 2,780 pounds of caviar made from sturgeon eggs were included among the by-products of the Dominion's fisheries operations in 1932. The caviar, all of it put up in Ontario that year, had a marketed value of a dollar a pound and the salmon roe was worth, in all, $3,640.

Province of Alberta

5% Bonds due September 1st, 1955

Denominations: $500 and $1,000

Alberta reduced its debt by $2,900,000 between March 31st and September 1st, due to installment received on sale of railways. Budgetary position of the Province for the fiscal year ended March 31st, 1933, was improved over the preceding fiscal year and official estimates provide for a balanced budget for the fiscal year ending March 31st, 1934.

Price: 95.20 and interest, to yield 5.37%

Descriptive circular gladly furnished upon request.

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IMPERIAL INDUSTRIAL LUBRICANTS

News of Investment Markets

SOFTER TREND IN BOND MARKET FOR ALL LIENS

Investment Bankers Ask Restriction of Banks' Bond Dealings

A tendency towards softness was recorded by the Canadian bond market in the week ended Sept. 12. High grade bonds dropped fractionally, western provincials yielded up to one point, and industrials were generally weaker. Trading was dull.

The Dominion is understood to have completed its main plans for this year's conversion loan. Estimates of the size vary from $224 millions to $300 millions, and the rate is expected to be from 4¼ to 4½ per cent, the latter being favored by the street. If a 4¼ per cent loan is attempted a bonus offer may be necessary to ensure success.

Temiskaming and Northern Ontario Ry. is calling for tenders on $7,500,000 of 4½ per cent bonds maturing in 1953. These are guaranteed by the province of Ontario.

No important municipal sales were reported during the week.

Losses Evenly Distributed

Losses among corporation bonds were evenly distributed throughout the list, utilities, paper and other industrial liens declining. Many of the losses were fractional, but some ranged up to several points. Comparative bid and asked quotations appear on page 14.

Declining values for high grade bonds are indicated by increasing yields. This is shown below:

Average Yield on Seven High-Grade Canadian Bonds

	%		%
Sept. 12	4.384	Aug. 15	4.409
Sept. 11	4.380	July 31	4.447
Sept. 9	4.377	July 15	4.488
Sept. 8	4.371	June 30	4.506
Sept. 7	4.369	June 15	4.484
Sept. 6	4.360	May 31	4.474
Sept. 5	4.353	May 15	4.566
Aug. 31	4.353	April 29	4.650

I. B. A. Opposes Banks

Briefs submitted to the Royal Commission on banking by the Investment Bankers' Association of Canada contended that banks should refrain from entering certain phases of the security business W. C. Pitfield, Montreal, president of the I. B. A. submitted the main brief, extracts from which follow:

"The respective fields of commercial and investment banking are quite distinct."

A sketch was then made of the history of the bank's entry into the bond business.

"The question now arises, is it in the public interest that the bond activities of the banks should . . . cover all fields of investment banking, or . . . to restrict such activities within definite bounds. We respectively submit that they should be so restricted . . . the investing public is still smarting under the losses sustained . . . since 1929 . . . We submit that damaging as is such experience to the bond firm, it is much more serious for the chartered banks.

Submissions

"In pressing for revision of the powers of the chartered banks to deal in securities, we submit: (1) That a restricted field would make depositors and shareholders feel more secure . . . (2) The banks would still be free to purchase abundant securities for their own investment account . . . (3) It is the function of the security houses—not the banks—to sponsor such new corporation issues once they become credit-worthy . . . (4) Despite the policy of the banks generally in trying to handle mainly Government securities in their retail operations, they have not been able to escape the criticism of their clients for selling securities which turned out to be unsatisfactory . . . (5) The presence of banks in underwriting syndicates has on numerous occasions created situations where the security dealer is deprived of the confidential relationship which he should have with the commercial bank at which he does his banking . . . Where a dealer in arranging a sale to a client is . . . clearing the transaction through the branch of some chartered bank, the manager of this branch is unfortunately placed in a dual position . . . He is supposed to be a confidential agent; and . . . he is to all practical purposes, a salesman of securities in competition with the dealer.

"We believe it essential that the bond dealing activities of the chartered banks should be curtailed.

Recommendations

"We recommend . . . that the banks shall not be permitted:

"(1) To advertise, circularize or appear or a public prospectus, or to solicit orders for securities.

"(2) To negotiate for or purchase (alone or jointly) new issues of securities other than treasury bills...

"(3) To deal in securities except (a) as agents for their customers (b) for their own investment account.

J. A. Kingsmill, secretary of the I. B. A., entered a brief contending that complaints that coupon rates on Canadian bonds have been too high in recent years are unjustified. This condition, he said, arose from a world financial emergency and was not the result of any arbitrary control in Canada.

Quebec Deficit Was $6,840,907 Revenue Down

Province of Quebec had a deficit of $6,840,907 in the year ended June 30, 1933, the recently issued annual statement reveals. This is the second successive deficit, the first two since the turn of the present century.

Greater decreases in revenues than anticipated were the chief cause of the deficit. The shortcoming was over $6,000,000. It included actual revenue below estimates of $2,700,000 from the provincial liquor commission; $1,500,000 from lands and forests; $900,000 from succession duties; licenses $650,000 and gasoline taxes $400,000.

The Government says in explanation:

"The deficit is directly attributable to the extraordinary times in which we live as the crisis has made calls upon all governments which were extraordinary and the crisis has also made an unfavorable setting for sustained revenues."

Good Beet Crop

This year's sugar beet crop in Southern Alberta is now expected to equal the large yield of last season —150,000 tons.

Stop & Shop Sales and Profits Made Show Increases

Stop & Shop, Ltd., has achieved the unusual distinction in the chain store group in 1933 of having sales increase in every month over the corresponding period in 1932. Moreover, The Financial Post is authoritatively informed that the company came into September with a profit whereas its operations to that point in 1932 had shown a small deficit of $15,000. Its business later in 1932 had increased to allow the company to show a profit and had definitely taken the company out of the era of deficits, it was hoped. Operations to date in 1933 have continued that trend.

Sales by four-weekly periods for the present fiscal year to August 12, the last period so far reported, compare with the corresponding periods in 1932 as shown in the following table:

Four Weeks Ended	1933	1932	Increase
March 25	$ 505,601	$ 492,058	$ 13,543
April 22	508,300	484,857	23,443
May 20	503,041	475,905	27,136
June 17	466,365	449,182	17,183
July 15	423,534	402,307	21,227
August 12	386,504	359,120	27,384
	$2,793,345	$2,663,429	$ 129,916

It will be noted that during the twenty-four weeks, sales increased by 4.877 per cent.

HUMBERSTONE SHOE REPORTS RECORD YEAR

Earned $2.89 Per Share—Volume of Sales Was Largest in History

Reporting the largest volume of sales but the most difficult year in the history of the company, the annual report of Humberstone Shoe Co. for the year ended July 31 shows net earnings of $63,429 against $66,236 in 1931-32. After deducting increased taxes, $2.78 was earned per share on the 20,000 common shares outstanding as against $2.93 in 1931-32 and $3.50 in 1930-31. Profit of $2,200 on exchange of bonds bring net revenue to $2.89 per share. Sales thus far in the current fiscal year are reported to compare favorably with sales in the same period of 1932.

Manufacturing low-priced lines of children's shoes and sandals the company has had to operate on reduced profit margins during the past two years due to increased competition. Income and surplus account is as follows:

Income and Surplus Account Years Ended July 31

	1933 $	1932 $	1931 $
Net earnings* ..	63,429	66,236	78,242
Less: Inc. tax ..	7,894	7,590	8,288
Net profit	55,535	58,646	69,954
Add: Prem. on bds.	2,200	......	......
	57,735	58,646	69,954
Less: Divds.	40,000	44,000	40,000
Surplus for year	17,735	14,646	29,954
Add: Prev. surp.	137,444	126,945	97,477
Less: Tax adjts..	......	4,147	486
Balance forward	155,179	137,444	126,945

*After depreciation.

Working capital position has been strengthened with accounts receivable up to $122,121 from $108,307 due to larger volume of business. Inventories have been increased to $343,520 from $288,245. Ontario bonds are held to the amount of $79,204, the company having secured a profit of $2,200 on turning in Dominion bonds previously held. Cash is down to $60 from $18,536 and there is an overdraft at the bank of $18,382. Accounts payable are up to $120,720 from $71,009. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	544,906	445,188
Current liabilities	175,734	100,626
Working capital	369,172	344,562
Ratio	3.10—1	4.42—1

Fixed assets are carried at $155,641, after depreciation, and deferred charges at $9,710. There are no non-current liabilities. Shares are valued at $379,344 while surplus has been increased to $155,179 from $137,444.

Note: See page 2 for information as to how a complete analysis of this company can be obtained.

Committee Seeks Deposit Canada Steamers Bonds

From Our Own Correspondent

MONTREAL. — Canada Steamship Lines' bondholders protective committee has extended the deposit date for bonds up until September 30. At the end of the first week of September over $4,000,000 of bonds had been deposited. There are $17,549,000 of these bonds outstanding.

Until a majority of the bonds are secured, the committee will have no legal standing. Meanwhile members of the committee are keeping in close touch with the financial position and operations of the company.

Winnipeg Electric Offer to Sell Officially Denied

From Our Own Correspondent

MONTREAL. — Reports that Col. Thomas Vien, of Montreal, representing minority stockholders of Northwestern Power Co. had made an offer to Winnipeg civic authorities for sale of the Winnipeg Electric Co. to the city, are officially denied. Col. Vien was in touch with various groups while in Winnipeg in investigating affairs of the company but did not make any offer of sale as was reported.

Bond Tenders

12 o/c noon, Sept. 18—North Bay, Ont.—$301,050 debentures as follows: for local improvements, $58,391, 6%, 15-yr.; $9,400, 5%, 5-yr.; $4,429, 6%, 5-yr.; $180,121, 6%, 20-yr.; $31,015, 6%, 3-yr.; $9,795, 5½%, 24-yr.; schools, $7,899, 6%, 30 yr. H. D. Goode, clerk.

Sept. 18 — School Commission of Palmarolle, P.Q.—$5,000 of 6 per cent 5 year bonds. Object of loan: to consolidate floating debts. E. Begin, sec.-treas.

12 o/c noon, Sept. 15—Temiskaming & Northern Ontario Rly. Comm.—$7,500,000 4½ per cent 20-yr. debentures, dated Sept. 15, 1933, guaranteed by the Province of Ontario. George W. Lee, chairman, c/o Provincial Treasurer, Toronto.

TRANS-CANADA IS NEW TRUST OF FIXED TYPE

Has Management Features; Underlying Shares All Canadian

A new investment trust combining features of the fixed trust with some degree of management has been established in Trans-Canada Shares, series A. This trust was formed by Bird & Talling Ltd., Vancouver, and will be administered by Trans-Canada Investment Corp. with Yorkshire & Canadian Trust Ltd. acting as trustee and registrar. Each Trans-Canada Trust share represents 1-1,000 interest in a unit of shares of 15 Canadian companies.

Each unit of the trust is made up as follows:

No. Shs.	Company
5	Bell Telephone Co.
30	B. A. Oil.
20	B. C. Power A.
5	Consolidated Smelters
20	Dominion Bridge.
5	Dominion Glass.
10	Dominion Textile.
10	Goodyear Tire.
30	Imperial Oil.
30	Imperial Tobacco.
10	Montreal L. H. & P. Consol.
15	Noranda Mines.
5	Ogilvie Flour.
30	Shawinigan Water & Power.
10	Steel Co. of Canada.

Stocks in the portfolio can be sold at the discretion of Trans-Canada Investment Corp. and the proceeds invested in obligations of the Dominion of Canada or in other stocks already in the portfolio. Distribution to shareholders will be made semi-annually, June and December 1, from the proceeds of regular and extra cash dividends, stock dividends not in excess of 10 per cent; proceeds from sale of rights and warrants; cash bonuses; interest on Dominion of Canada obligations. Interest on accumulated funds is not mentioned.

The trustee will receive a maximum fee of 1 cent per share annually for receiving and disbursing income. Trans-Canada Investment Corp. will receive semi-annually ⅛ of 1 per cent of the market value of shares in the portfolio for supervision. Load, included in sale price, is stated at 6 per cent of the price of underlying shares, brokerage and accumulations. Holders of 200 shares may convert their holdings into the underlying stocks. Originally offered at $8⅝ per share late in June, present price was $9.30 on September 5. Some $50,000 of the shares have been sold.

Dominion Square Bldg. Clearing Up Tax Arrears

From Our Own Correspondent

MONTREAL.—No material change has taken place in the position of Dominion Square Building Corp. since interest was defaulted on its bonds. The management is devoting its attention to renting the unoccupied space, which amounts to around 44 per cent of the total. Income, after payment of operating expenses, is being used to clear up overdue taxes. A new tax payment is due at the beginning of next month and it is not expected that the company will have much in the way of surplus earnings until next April.

Under present conditions the company has sufficient earning power to take care of senior expenses and have about $180,000 left over to take care of depreciation and bond interest. This is not enough to cover bond interest.

A letter outlining the company's position will be sent out to the bondholders within the next two or three weeks.

Saskatchewan Relief Costs May Be $10,000,000 in 1933

Relief expenditures in Saskatchewan may total $10,000,000 during the year ended August 31, 1934. A delegation representing the provincial government is in Ottawa to negotiate with the Dominion for a relief programme of that amount, it is reported. The fourth successive year of crop failure in some districts of southern Saskatchewan is stated to be the reason for this large relief programme.

In the four years ended August 31, 1933, relief distribution in Saskatchewan totalled $32,526,834, according to recently released figures. Most of this money was used in 1931, a bad crop year for Saskatchewan, when relief requirements were over $16,000,000. Last year crops in southern Saskatchewan were considerably better than in 1931 and relief expenditures were only slightly over $3,000,000.

Investment Foundation Reduce Dividend Arrears

From Our Own Correspondent

MONTREAL.—Investment Foundation Ltd., an investment trust founded four years ago, continues to pay 3 per cent on its preferred stock, together with 1 per cent on account of arrears, a quarterly dividend of 50 cents a share having been declared payable on October 15.

When the earning power of Investment Foundation, like that of other trusts, declined to a low level it was found necessary to reduce the regular dividend of $3 a share to $1.50. Beginning with the quarterly payment due on January 16 last, the company has been cutting down the arrears until at the end of September last they amounted to only $4 a share.

Vancouver's Tax Collections Nearly Equal 1932 Figures

Vancouver's tax collections for 1933 up to August 31, totalled $9,031,858 as compared with $9,075,852 in the same period of 1932, a decline of about $144,000. Alderman G. C. Miller, chairman of the finance committee, said that it would appear that the city would be able to reach the amount on which the 1933 budget was estimated.

Water rates collections for the eight months ended August 31, amounted to $772,383, compared with $828,748 for the first eight months of 1932. Since the 10 per cent discount on water rates did not expire until September 5, this year, it is expected that the water rate receipts this year will equal those of last at that date.

Investment Notes

A. J. Freiman Ltd.

WHILE sales by A. J. Freiman Ltd., have shown no improvement in the current year collections are reported to be improved and the company is expected to end the current fiscal year, ending January 31, 1934, with an operating profit in contrast to the small operating loss experienced in 1932-33. Chief improvement is due to absence of a non-recurring expense on account of exchange shown last year. At the present rate of earnings it is believed that the company will be able to cover preferred dividends amounting to $55,770 before provision for depreciation. The company operates three departmental stores in Ontario, in Ottawa, Pembroke and Renfrew. Extent of the fall and Christmas trade can be expected to have a considerable effect upon earnings.

* * *

Toronto Elevators

EARNINGS of Toronto Elevators Ltd. may show a slight decrease in the fiscal year which ends September 30 as compared with earnings in the last fiscal year which amounted to $5.03 on the common shares. Any decline in earnings is not expected to be serious and it is anticipated that the company will be able further to increase its surplus which has been built up to $376,972 in 1932 from $121,497 in 1929. During this period equity of the common stock was built up to $13.88 per share from $3.66.

Common stock of the company, in receipt of initial interim dividend of $1 per share in January, 1933, has shown more than usual activity on the Toronto Curb in the current year. With only 25,000 shares of common outstanding of which most are closely held there is no large floating supply. Ranking ahead of the common stock are 15,000 shares of $100 par value 7 per cent preferred which are not listed.

* * *

Mercury Mills Does Better

MERCURY MILLS, LTD., which manufactures a wide range of knitted goods, will in all probability make a better showing in 1933 than in 1932 in spite of a few weeks' interruption in operations during the summer. There has been a substantial improvement in sales and though the company is faced with some difficulties still, the outlook is therefore more encouraging. There was a net deficit of $202,616 in 1932 after depreciation and bond interest. This had shown some decline from the deficit of 1931 on operations.

It is understood that the new president, R. H. Hommel, who is achieving a great improvement in Stop & Shop, Ltd., has also been an acquisition to the board of Mercury Mills as its president. His knowledge of merchandising and organization have been a considerable help to a company which was already industrially effective. The general increase in business has also been a favorable factor.

* * *

Elevator Cos. Cover Interest

THE FINANCIAL POST understands that Federal Grain, Ltd., and Western Grain Co., in the year ended July 31, 1933, earned their bond interest and a substantial amount for depreciation as well. In spite of the lower crop for 1933-34 and the official proposals to reduce acreage devoted to wheat, principals express themselves as satisfied with the demonstration of strength and management given by these companies during the very difficult years experienced since 1929. They are inclined to think that the years to come are not likely to give any harder test.

Part of the hopefulness that bond interest and depreciation can at least be met in years to come until better times give shareholders some chance at renewed dividends on preferred stocks, is the result of the decision by Ottawa to restore the rate of one cent per bushel monthly as the maximum storage rate. The forced reduction to three-quarters of a cent per bushel monthly last year placed a heavy strain on all elevator companies. It puts this and other grain elevator companies back where they were.

* * *

Steel Business Low

THOUGH Algoma Consolidated Corp. is not releasing its annual statement until September 28, The Montreal Gazette carries an article stating that the company reduced net loss from $36,360 in the year ended March 31, 1932, to $16,318 in the year ended March 31, 1933. Income from investments was $13,924 and general expenses $29,712 with a loss of $530 on sale of investments.

Chief interest in the statement is in the report from the president, R. Home Smith, to the effect that its chief subsidiary, Algoma Steel Corp., on which the future of the company chiefly depends, had greatly curtailed operations due to adverse business conditions. These conditions had grown steadily worse and receivers had been appointed June 20, 1932, on account of the company's inability to meet interest on purchase money bonds on June 1, 1932. It also defaulted on interest due on first and refunding 5 per cent gold bonds. Under the receivers there had been no improvement in demand for steel products or in the financial position of the company.

* * *

Looking to "Dredge" Dividends

BOTH speculators who are hoping for a quick turn on the stock market and those who are looking for long term advantages have been paying attention to Canadian Dredge and Dock Company no par value common shares recently. Shares ran up this year from a low of 10 to a high of 22½ and are now running around 18.

Interest of those who are looking for some immediate advantage in the stock is fixed on the dividend policy of the company. In the year ended January 31, 1933, this company earned $3.54 a share on the common stock and paid $1 a share on February 1, 1933, covering the preceding year. Two years before it had paid quarterly dividends and it was hoped that the company would return to that policy at the earliest convenient moment. It needed $92,498 to pay its $1 dividend on February 1 but the annual statement as of January 31 showed the company still needing to conserve cash resources. It had quite a strong working capital position, current assets being $1,104,286, which was 3.05 times current liabilities of $362,367. However, cash and bonds were only $65,000 and other current assets represented mainly amounts due on work and value of inventories, while the current liabilities included a bank loan of $255,000 which included the amount paid for dividends on February 1. Naturally a company of this sort must employ a great deal of its liquid resources in connection with its various dredging contracts. Its current assets in cash, bank deposits and bonds naturally fluctuate according to whether it is taking on new work or is being paid up for old. The directors are, therefore, the only ones qualified to decide what dividend action will be taken and when. It is understood that volume of work and profits thus far in 1933 have been satisfactory to the directors.

Those who are buying the stock from the long point of view do so because of recent discussion of the St. Lawrence Seaway at Washington and the hope that Premier Bennett and President Roosevelt may arrive at an understanding for an earlier date of starting than formerly expected. Some conservative investors, who are taking a speculation in this stock on the long view prospect, explain that they think there is a 50-50 chance of the St. Lawrence Waterways project going through and commencing within from two to five years.

The chairman of the board, W. E. Phin, and the president, and managing director, D. S. Pratt, in comments on the annual report for last year expressed the hope that the programme of the new administration at Washington, coupled with the efforts of the Government at Ottawa, would lead shortly to a start on the St. Lawrence Seaway If they are right, the construction of such a seaway would be of immense importance to the company, because it would be the chief unit in Canada which could be depended upon for such work. Its plant is in first-class condition to undertake any kind of dredging on marine work.

Pilchard Season Under Way

The arrival of the first catch of pilchards off the British Columbia coast, consisting of about 130 tons, has started eight large reduction plants in Vancouver Island operating.

Brandon Growing Industrially

According to officials of the Brandon Board of Trade, several large industries are about to establish in the city and at least two companies, which had suspended operations for some months, have intimated an intention of resuming operations. Through special committees of the Board of Trade every possible facility is made available to concerns in either class.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIFS, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Ottawa R. C. School Board	Aug.	Banque Can. Nationale	5%	30-yr.	$200,000	....	....
Cap de la Madeleine School Comm.	Aug 29...	E. Savard	5%	10-yr. ser.	50,000	99.12	5.18%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered By	Rate	Class	Amount	Price	Yield
Walkerville Brewery	Sept. 13 ...	Company	....	Com.	50,000 shs.	$3.25	....

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Published by

THE MACLEAN PUBLISHING CO., LIMITED

481 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor, GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1, E. J. Dodd, Director, Telegraphic address. Atabek, Lesquare, London.

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TORONTO, SEPTEMBER 16, 1933

N. R. A. TAKES LEAF FROM "RACKET" BOOK

MANY pointed comments are being made in the United States in recent weeks to the effect that the United States Government proposes to do away with racketeering by itself by taking over the rackets. "National Sphere" of Washington puts the matter cogently when it says that most of the so-called business rackets could not have prospered had they not had in them the elements of service. The clothes cleaning racket in Chicago, for instance, flourished because the racketeers succeeded by employing terrorism in enabling individual members of the industry to fix prices for their services. Even after paying toll to the racketeer the individual in the business as a result made larger than normal profits. "National Sphere" makes the following comparison with N. R. A.:—

"Now, it so happens, the government itself is undertaking to perform precisely this service. It insists, indeed, that all the members of a particular industry shall participate in an organization. It allows each industry, then, virtually to fix prices for its products. It exacts, in return, a so-called processing tax. The processing tax is, essentially, closely equivalent to the protections tax that the gangster levied."

The Government now promises each industry the stability and defense which the gangsters had undertaken to provide under private initiative. This idea that gangsters and criminals pioneered the way to the government's new policy for industrial progress is not so bizarre as some may consider it. Professor Raymond Moley, in an article in "The New York Tribune" before he parted company from President Roosevelt, said "the racket is really a manifestation of a fundamental lack of economic adjustment." In other words, the racketeer is a business man (or professional criminal) ready to take illegal means to supply a service greatly needed in an industry. Clumsily, destructively, illegally by extortion and coercion, it was often trying to accomplish an end which now under N. R. A. is regarded as in itself desirable. Rackets operated most successfully in highly competitive industries where racketeers engage to enforce the regulation and limiting of competition in spite of obstacles created by the Anti-Trust laws.

On this view the Anti-Trust laws, strangling legal and free arrangements among companies in the same industry, with the best of aim have been responsible for the racket. Those Anti-Trust laws were needed and are still retained in part but under Government auspices industries can under N. R. A. now clean house.

This view was taken by a Brooklyn judge, A. G. McLaughlin, who released three men accused of racketeering to the extent that they dominated a quarter-billion dollar laundry industry in Brooklyn. The judge said the accused men had formed an organization designed to free the industry from demoralization created by cut-throat charges and starvation returns. Later the new organization employed some of the violent methods which they had been formed to fight. The judge added that under N. R. A. "co-operation is no longer conspiracy." The laundry trade, he said, was about to adopt a code which would stamp out unfair competition legally. The aim was the same but the means different.

The full view of Professor Moley is explained in this issue under the department headed "Rackets." The laundry case is also treated at greater length. It is a view which Canadian legislators would do well to study carefully and to keep in mind when presented with proposals for restrictive legislation which are hampering and obstructive to natural evolution of business and industry.

DISGUISED DEFAULT

THE practice is becoming prevalent among some Canadian corporations of denying bondholders all or part of the currency privileges of trust deeds. This is default, however it may be disguised.

There have been cases where companies paid only in Canadian funds on bonds stated to be payable in United States dollars, Canadian dollars or sterling at $4.86 2/3. The latest case is a large company which is planning to pay only bona fide American bondholders in United States money. Canadian bondholders will get only Canadian dollars. Other firms are understood to be contemplating similar action.

This amounts to breach of the contract with Canadian bondholders. Bondholders generally are scattered, and frequently fail to take strong legal action to support their rights. For investors are entitled to their currency option, according to good legal authority. Court action is the means by which it can be enforced.

At the time of the announcement of the British plan to exchange gold clause bonds for sterling bonds, British financial commentators roundly condemned the plan as tainted with default. The British offer was for a voluntary exchange. The Canadian debtors in question are deliberately flouting the law of contract.

The remedy may appear when some bondholder takes action and collects damages and costs for breach of contract.

TRIBAL CHANTS FORGOTTEN

SO GREAT was the success of the two political summer schools or conferences held in Ontario last week that they are practically certain to become annual affairs. The Conservative school at Newmarket was a provincial gathering and while no attempt was made to operate it on a large scale about one hundred persons registered for the week's lectures and study groups. The Liberal school at Port Hope had been planned on a nation-wide basis which enabled the chief sponsor, Hon. Vincent Massey, to interest men of international reputation from outside as well as inside Canada. Some 300 attended.

At neither school was party politics emphasized in any way. It was for the moment tacitly accepted as unwelcome. There were Liberals on the programme at Newmarket and Conservatives on the programme at Port Hope. In several cases speakers were shared between the schools. But most of the speakers were independent of partisan politics.

Constantly it is being declared that the nation needs leaders. It is not true that we are entirely lacking in leaders in Canada but when we encourage our younger men and women to think for themselves about the more fundamental phases of our society we are ensuring ourselves of leaders in the future. It has been remarked that the voice of the people is not the most cultured voice that one may hear but the greater the number of our citizens who have probed the political and social philosophies the more cultured will be that voice.

Training citizens for citizenship is not new. Napoleon spent a great deal of time directing political and moral opinions. Since then French school books have always been propagandist. In Germany before the war the youthful mind was Prussianized and today it is being Nazified as part of the programme of "Gleichshaltung." In Russia the old time habit of teaching the youth to accept with patient resignation the rank of life to which it had pleased a most high Providence to call them has given way to an official inculcation of the Communist theory in the minds of tomorrow's Soviet leaders.

This sort of autocratic authoritarianism has its roots in tribal history down the ages. Prof. Thomas Woody, of the University of Pennsylvania, compares it to the training given the youth of the Central Australian tribes.

"The Alpira and Arunta tribes train their youth, before conferring tribal membership upon them, by imparting to them tribal lore, indoctrinating them with traditional, respected taboos, testing them by a series of ordeals involving skill, strength and courage, and teaching them certain chants for particular occasions."

At Port Hope and at Newmarket there was none of such indoctrination but rather an attempt at genuine education and this is what made these conferences most useful contributions to future citizenship.

WILL THESE PROMISES BE REMEMBERED?

SOME unusually good literature was put out by the Liberal party in Nova Scotia during the recent election campaign in that province. No comment was made on it in The Financial Post at the time because this journal desires not to associate itself with the heated controversies of a period as hectic as an election campaign.

Dominant note in the literature was the charge that under the previous administration, which was that of the Liberal-Conservative party, there had been unwarranted extravagance in provincial administration, which was undoubtedly true just as it has been true of every provincial government in Canada, Conservative, Liberal, farmer or what-not, in recent years. The Liberal literature not only showed the gross results of over-expending such as $3,500,000 of deficits; a $21,000,000 increase in taxation; and a $30,000,000 increase in funded debts, during an eight-year period, but it dug out of the records individual examples of rather reckless handling of the taxpayers' money. All of this was very useful, although it is probable that since it was brought out in the midst of an election campaign it was believed by the Grits and not even read by the Tories.

It might be a very interesting experiment for some good citizen of Nova Scotia (and it matters not what his politics are) to file these election pamphlets away and use them as a basis for judging the Liberal régime when it next comes before the electors. The Liberals have gone into office not so much on a constructive policy of economy as on a negative policy of objecting to alleged Conservative extravagance. But in either case they have, by their criticism of extravagance, committed themselves to a policy of frugality in administration. They will have several years in which to prove whether their pamphlets were an instrument for getting elected or a declaration of policy for the new administration.

Most pre-election promises made by politicians are forgotten by cabinets formed from among those politicians. It is a rather good thing that they are. But in this case the people of Nova Scotia will appreciate the implementing of the new undertakings of Mr. McDonald and his associates.

RACKETEERS AND RECOVERY

THE United States recks little of the future as the nation rushes head-long into a corporate State, which is merely the modern name of State Socialism. The emergency was urgent and therefore drastic measures to meet it were acceptable to the people as a whole. But one may properly wonder what permanent imprint will be left on American civilization by the "temporary" relief measures adopted. For the United States has been given a virtual dictatorship and under dictatorship personal freedom vanishes.

In Europe dictatorships have shown tenacity in clinging to power, as witness Russia and Italy and as is the promise in Germany. But history suggests that the American people have a greater respect for individual freedom, their susceptibility to mass tyranny notwithstanding.

To be reckoned with is the violence of the emotional currents in the United States. Where the heart and not the head rules a country's policies there is no easy rhythm in the swing of the pendulum. It is easy for Roosevelt to marshal the forces of public opinion behind him in policies that, in theory at least, are repugnant to whatever is basic in American ideas but it will not be easy to keep the forces in line for long. Mr. Lincoln had to die before he was through, to make his fame enduring.

The furious pace at which a socialist state is being created across the border is the best assurance that a socialist state will not be finally and permanently erected. Like prohibition and the political freedom of the negroes it is being built on shifting sand.

A greater menace faces the country. The new régime creates an entirely new set of opportunities for exploitation of the public, and exploiters have an unhappy faculty of acquiring vested interests that are difficult to dislodge. The racketeers of politics and finance have found ways to turn the Roosevelt programme to their advantage. They have got their tentacles in and even when the substance on which they presently feed has melted away they will remain, just as the ending of the prohibition racket has merely turned the organized bootlegging industry to new crimes.

The Civil War in the United States freed the slaves and ensured the union against division. But it created a new class of political racketeers, the carpet baggers who between 1865 and 1877 exploited the South, lavishly defrauding the taxpayers and those who bought state bonds. In one state, for example, 200 people who could not read or write got jobs as justices of peace. In another state, the debt was increased in one year four-fold and the public got virtually nothing for the increased burden.

When certain notorious Wall Street gamblers appear on the scene in Washington; when formerly quiescent trusts revive to exploit the consumer; when labor union leaders use the new programme to force unionization of open shop industries; when new bureaus are created by the score and hire hundreds of new employees each; when the money that is saved by an intensive economy effort disappears down new and bigger drains, one wonders if the racketeers are not at their traditional game of turning every crisis, every situation, every programme to their advantage.

Stopping the engine that has been steamed up in the United States may be easier than getting rid of the racketeers who are just going along for the ride.

If he could enforce it, Mr. Roosevelt might make the N. R. A. motto "No Racketeers Allowed."

EDITORIAL NOTES

Says the Montreal Star: "The post of economic recovery should be in sight soon." What's this; no corner?

* * *

A Toronto paper says the stock market is showing "firmness with indecision." This wins first prize for meaningless phrases.

* * *

The armaments race is one of building irresistible weapons to destroy immovable defenses, and vice versa. No wonder it is costly.

* * *

A Toronto Star news dispatch speaks of "Stephen McKenna, the inflationist." The reporter was no doubt confusing him with Reginald Leacock.

* * *

According to a dispatch in the New York Times, salaries of all officials in Poland have been reduced "from 25 to 0 per cent." Looks like favoritism somewhere.

* * *

Agnes McPhail wants to put the King's head on all our notes, instead of only on $1 and $2 bills. What her people are working for, of course, is to have King George's signature on all our pay cheques.

POST-scripts

NEVER did shirts receive such advertising as they are receiving today. In Italy, it's black shirts; in Russia, red shirts; in Germany, brown shirts; in Ireland, blue shirts; in the Ku Klux Klan belt of the U. S. A., silver shirts, for the K. K. K. is attempting to change its name to the Silver Shirts of America. For expatriated Chinamen the symbol is of course the dirty shirt while to judge from some recent photographs of the society on the beach at Newport, Palm Beach and the Lido, the custom for the aristocrats of the world is no shirt at all.

The colored shirt movements of the world represent the tyranny or attempted tyranny of majorities or of those who would marshal majorities against minority groups.

One wonders if there can be any logical end of such expressions of nationalistic or class feeling than another wholesale regimentation of the bright young men of the world in khaki shirts.

POSTCARDS again. Charlie Chan, the famous but fictitious detective of Honolulu, has honored one of the members of the editorial staff with a "personal" postcard. Under postmark, San Francisco, Aug. 28, Charlie says:

Most Honorable Sir:
Please to accept hearty best wishes from law's insignificant finger. Have just completed my "greatest case" here and will be with you soon.
Thank you so much!
Charlie Chan

The picture on the card shows Charlie, impersonated by Warner Oland, the actor, in his automobile with what appears to be Mrs. Chan and nine little Chans. Like the benign Charlie, of the Earl Derr Biggers stories, all have cheerful countenances.

What puzzles us is the purpose of the card. Does it mean a new movie, a new radio act? In the absence of all evident advertising matter, perhaps the card enhances the value of the "publicity gag," for that is what it must be, by arousing the editorial curiosity.

IF MELBOURNE doesn't win a place among the world's happiest cities, it won't be the fault of the tram company. Many a citizen has left his home buoyantly, with the remembrance of a good breakfast to spur his steps, only to squeeze into a crowded tram and—but why print the rest of the woeful story?

One day there came a change. There were smiles. There were giggles! Everybody who travelled by tram—no matter how tight was the jam—was good natured. One by one, the Northwestern Miller explains, the travellers were discovering the "schoolboy howlers" on the back of the short distance tram tickets. And they were reading them to their neighbors.

The following howlers have been selected from among the hundreds that have adorned the tickets — tickets that are transforming many a tram ride into a jolly start on the day:

Sins of omission are those we have forgotten to do.

A doughboy is someone out to make money.

The opposite of pessimist is bigamist.

The Mediterranean and the Red Sea are connected by the Sewage Canal.

It was raining cats and dogs, and there were poodles in the road.

One mineral found in Canada is conundrum.

Herculaneum was covered by the overflow of saliva from the Vatican.

Guerrilla warfare means when the sides get up to monkey tricks.

The objective of "he" is "she."

A great uncle is father of an uncle which has a nephew.

Every morning my sister waves her arms to stretch her abominable muscles.

The rule of the road is always to look before you walk in front of a tram.

Dresden is the capital of China.

Many people say that Free Trade is better than perfection.

The father of the famous Black Prince in English history was old King Cole.

Extradition is tradition which is no longer believed.

A ball falls to the ground because it is pulled by gratitude.

The strongest and most fierce cows are bulls.

The judge was very kind: he asked the deceased if he had anything to say.

Gooseberries are grapes with hairs on.

William Tell shot an arrow through an apple when standing on his son's head.

The heart is generally over the ribs in the midst of the borax.

Cingalese are people who never marry.

A junket is a man who sails a junk.

Other Peoples' Views

Think Things Through

Edmonton Journal—One of the wise men of the east gave the delegates at Banff some advice the other day that deserves to be brought to the attention of all thinking men and women. In the course of an address, Dr. Hu Shih, professor of philosophy in the National Peking University and acknowledged as China's outstanding scholar and philosopher, uttered these words:

"Every man should think out all the possible consequences of the theory he advocates or the institution he supports and should be prepared to hold himself morally and intellectually responsible for the consequences."

People too often merely read and accept. A phrase catches the fancy and the whole thesis is swallowed. Thereafter the latest apostle is ready to go out and convert all and sundry. True such may be tripped easily enough, but those to whom they speak are, like themselves, too ready to accept without thinking.

Thinking things through to the bitter end is a difficult task for most men and women but how much saner and logical the result when it is done. It is a habit that should be cultivated by all and especially by those who are our would be leaders.

"Stop Me If You Have Heard This One"

Horace Greeley, noted American journalist, always insisted the word "news" was plural. Once he wired one of his reporters in another city: "Are there any news?"

The reporter wired back: "Not a single new."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

Socialism and Liberty in England and the United States

WHAT is going on in Washington, is not Communism and it is not Anarchy. But where to locate it within the vast middle ground between these two opposites is a task to challenge the wits of even the most skilful social analyst. The new deal is variously interpreted. The interpretations start with the somewhat naive explanation that Mr. Roosevelt has merely borrowed, in an emergency, some of the favorite tools designed by Socialist engineers, and is using them to build a temporary scaffolding around the tottering edifice of Capitalism until such time as the capitalists themselves can rebuild their own structure. And they go on until we find the whole New Deal accepted as plain, ordinary, revolutionary Socialism.

The loss of personal liberty under the New Deal is glossed over. Says Senator Carter Glass, famous Virginia Democrat, "which do you value more, your liberty or your material prosperity?" This is wrapping up Socialism in gilt paper. The Socialists themselves do not much care how the New Deal is presented as it is enforced and is accepted for what they deem it to be. Norman Thomas, who has several times run as Socialist candidate for the presidency, poses another pertinent question, which makes this point clear. He asks: "What justification is there for all these (industrial corporations) now that the government has to go in and save our erstwhile individualists from the folly of their own systems?"

* * *

ATTEMPTS to evaluate the New Deal, not only in the terms used by its own sponsors but in those of more conservative social philosophers have from time to time been made in this column. A new defense of the Roosevelt "emergency" programme is made by Dr. Rexford G. Tugwell, a prominent Brain Trust chieftain, in the current number of Political Science Quarterly. We observe that Dr. Tugwell has just started a new syndicated column in American papers under the title "Design for Government."

Prof. Tugwell says that the administration has acted along two major lines: to co-ordinate and control private enterprise and to concentrate greater power in the hands of the executive. The national government has assumed the leadership of private enterprise. It is important to note that Prof. Tugwell emphasizes that it is merely leadership and the enterprise is private.

* * *

THE government, he indicates, has been forced to this action because the United States has reached an era when the maintenance of economic life is more important than its development. In the early history of the country, unrestrained competition may have been a useful economic creed because the problem of over-production did not exist. In fact, the United States deeming competition and democracy to be Siamese twins, made competition a matter of legal compulsion. But today there is over-production, it is due largely to unrestrained competition and it threatens industry. "Only a socialized industry can market its goods continuously because, until it is socialized, it cannot join in the protection of demand." So new dealers believe that public interest commands "the protection, the maintenance, the conservation of our industrial faculties against the destructive forces of unrestrained competition."

And again, "Times was when the anarchy of the competitive struggle was not too costly. Today it is tragically wasteful. It leads to disaster."

* * *

OF COURSE, coercive co-operation needs some authority to do the coercing. That is why almost dictatorial powers had to be granted to the executive branch of the government. The delicate checks and balances in American government have been overthrown—for the time at least. The old design of government was "to check-and-balance to a point just short of inaction." The new design is to permit the co-operative impulse to assert itself.

"The new design, with its unavoidable stress on vigorous governmental administration, possesses promise of endurance because it found precisely the right man," says Prof. Tugwell, embellishing his hero-worship of the president with the somewhat optimistic promise that "he is creating a lasting standard of administrative conduct below which none of his successors will dare to fall."

The new dealers are not burning any policy bridges behind them. "We shall follow resolutely wherever the dictates of our mind propose." That is where they differ from the Socialists of other lands, the real Socialists who preach their Socialism as an economic and political religion and who are not in the position feverishly soaking up just enough of the philosophy to excuse or justify opportunist policies, most of which were not foreseen three months before they were invoked.

The Socialist government of President Roosevelt aims at State control of private enterprise; not at State ownership. It aims at as large a measure of dictatorship as it can get, but knows its dictative powers are ephemeral. British Socialists envision no such weaknesses, no such concessions in their programme

* * *

RT. HON. STANLEY BALDWIN, has written for the organ of the National Labor Party in Britain an analysis of the policies and objectives of the Socialist Labour party in Britain. Ordinarily, it would be unfair to quote a Conservative's exposition, written for the paper of the almost Conservative MacDonald rump of the Laborites, of the policies of what is the chief opposition party. But Mr. Baldwin has taken the great Socialist writers, such as Sir Stafford Cripps, G. D. H. Cole and Prof. H. J. Laski, at their own words, and moreover the Socialists, while they object to their language of Mr. Baldwin's analysis, do not charge him with distorting their views.

The first thing Mr. Baldwin sees in the Socialist programme is that, on assuming power they will set themselves up as dictators, putting no limits to the powers they will assume.

There would then be passed a "General Emergency Powers Act" under which a full-blooded revolutionary programme would be brought into immediate operation by a series of ministerial orders. Parliament would be put out of action. The traditional safeguards against panic legislation would be swept away. The House of Lords would, of course, be abolished. The Prime Minister would be appointed and dismissed by the Socialist caucus. The courts would no longer have the privilege of determining the legality of the orders of the dictators. Parliament would seldom meet. The Socialist party would carry on in its place.

Mr. Baldwin's picture is not exaggerated. All of these things have already happened in Russia under Communism, in Germany under Naziism and in Italy under Fascism. Half of them have happened in the United States under New Dealism.

Is it unfair at this point to quote Abraham Lincoln's remark, "Our reliance is in the love of liberty which God has planted in us."?

Sayings of the Week

"All altruism springs from putting yourself in the other person's place."—*Harry Emerson Fosdick.*

* * *

"The general wisdom of the demand for fewer laws is undeniable."—*Franklin D. Roosevelt.*

* * *

"Those who stand for a self-contained United States live in a world of unreality."—*James A. Farrell.*

* * *

"The programme of the New Deal is not that of revolution; it is that of revelation."—*U. S. Assistant Attorney-General Stephens.*

* * *

"We Americans are much given to quick generalizations. We have a weakness for headlines."—*U. S. Attorney-General Cummings.*

* * *

"The present status of the Russian experiment has been a grave setback for Marxism in America." — *Bruce Bliven, in the New Republic.*

* * *

"No man hits the bull's-eye unless he aims at it and the bull's-eye in business should be 'net profit'"—*Russell T. Kelley, advertising agency executive, Hamilton.*

* * *

"We should not rest until the term 'trade within the Empire,' so glibly used today, takes on its full significance."—*Sir Herbert Austin.*

* * *

"In 1883 we did not start companies with a lot of capital as the result of a well-written prospectus; we just worked."—*Geo. Murdoch, British business man.*

* * *

"What has happened has most certainly been a good thing for the country. In fact, it has been a damn good thing."—*James W. Gerard, former U. S. ambassador to Germany.*

* * *

"Better wages and more leisure will create either better or worse men and women. The church has the power to determine which it shall be."—*Rev. Floyd Van Keuren, New York.*

* * *

"For myself I put far more hope in the resolute mental energy of President Roosevelt than in the venerable and chilling orthodoxy of Mr. Montagu Norman."—*Winston Churchill.*

* * *

"Years ago a student of human nature gave it as his opinion that we shall see better times when everybody puts a little more emphasis on the 'try' in industry."—*Merle Thorpe, editor, 'The Nation's Business.'*

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The Pontiac and Pacific Junction Railway, the Ottawa and Gatineau Valley Railway, now part of the C.P.R. System, were financed by means of funds raised through Hanson Bros. The Quebec and Lake St. John Railway was completed with its financial assistance, as were several lesser lines now forming part of greater systems. The first bond issue of the Richelieu and Ontario Navigation Company, nucleus of the present Canada Steamship Lines, was sold by the firm.

The early development of electric power in Western Canada, and many other enterprises in other countries have also been financed through this firm's efforts.

• • •

The story of the half-century is told in our Fiftieth Anniversary booklet, "Fifty Years on St. James Street". A copy will gladly be sent on request.

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Business Conditions in Canada

The Week in Business

Relapse Good for Business

HESITATION in the recent advance is the current feature in business in the United States, and to some extent in Canada. This is a good thing, in the opinion of the New York Annalist. It is claimed that the sudden activity of early summer was premature and unsound because of little indication of greater consumer demand or purchasing power.

At the time the summer industrial revival was in process, it was pointed out that a good deal of the improvement in the United States was due to corporations stepping up their production to take advantage of the short period remaining before their operations would be subjected to the "codes" of the N.R.A. Elsewhere the less startling "recovery" perhaps laid a more substantial foundation for further improvement.

Impatience seems to be a characteristic of the American viewpoint toward business recovery. This is also evident in Canada and other countries. After the long period of depression this is easily understood. But the fact remains that well-informed commentators believe that successful recovery can only develop gradually. Inflationary injections and artificial aids do not promise a relatively lasting cure of the disease.

* * *

Empire Trade Increasing

BATH tubs and bicycles are two minor and unrelated items of Canada's import trade which appeared to indicate a swing towards purchases of Empire goods in this country. Whether or not the Ottawa Conference agreements are the cause, imports of bath tubs from the United Kingdom amounted to $101,000 in the last year compared with $24,000 from the United States. Imports of bath tubs from the United States were less than half those of the previous 12 months, according to the Dominion Bureau of Statistics.

Bicycle importations show the same trend. Due to increased interest in cycling, imports of bicycles were much higher this year than last. While other countries failed to improve their exports of bicycles to Canada, the United Kingdom has jumped its exports to about 95 per cent of all those sent to this country.

Chemical products also showed increases in Empire trade. Thus, imports of bicarbonates in April, May, June and July, came 314,724 pounds from Great Britain, 4,496 pounds from the United States. In 1932, Canada imported over twice as much of this product from the United States as from Great Britain. This remarkable reversal of trend also occurred in the case of another chemical product, sal ammoniac.

Coming to fruit, we find that in April, May and June, Australia sent us many more fresh pears than last year. The three months' imports were 677,135 pounds as against only 7,500 in the same three months of 1932.

Moreover, Canada's importation of canned pineapple has been showing a large increase lately. Imports in the last 12 months have amounted to nearly 14,000,000 pounds compared with slightly over 11,000,000 in the previous 12 months. While the Hawaiian Islands have been generally considered a most important source of supply, we find the current increase is coming mainly from the Straits Settlements. The latter of course, is a British colony, the capital being Singapore.

* * *

U. K. Empire Trade

UNITED KINGDOM trade figures for the first six months of 1933 show a less definite trend towards increased Empire commerce than in the lines mentioned above. Imports from Empire countries were 38.7 per cent of the total value during the six months, compared with 36.1 per cent last year. There was, of course, a shrinkage in the total value of imports.

There was a slight decline in the value of British exports to Empire countries during the same period. This counterbalances the increase of imports from the Empire. The largest changes in Empire trade with the United Kingdom were in connection with the Irish Free State. If the dispute between the mother country and the De Valera government had not intervened, total Empire trade would be definitely improved this year.

Because of their diversity, the British figures are probably a better guide to the gross Empire trade than the isolated instances quoted above. Although the British figures do not show startling improvement in the Empire trade movement, they too indicate that such is the trend.

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SEA FISH CATCH $500,000 HIGHER MONTH OF JULY

Due Chiefly to Increased Value of B. C. Salmon Over 1932 Month

An increase of almost $538,000, or nearly 25 per cent, in the value of Canada's catch of sea fish was recorded in July compared with the same month in 1932, according to Government figures. The increase was chiefly due to a sharp increase in returns from the British Columbia salmon fishery. Total value of landings in the sea fisheries of the Dominion was $2,291,600 in July, as compared with less than $1,754,000 in the same month of 1932. Pacific coast fisheries showed a gain of almost $539,650 but in the Maritime provinces there was a decrease of about $1,680.

Salmon prices have been generally higher in British Columbia than a year ago. Landings in July were some 244,000 cwt., only slightly more than landings for the same month last year. But the value to fishermen was more than $1,469,000, a gain of over $500,000. The salmon catch was also bigger on the Atlantic coast in July 1932, and landed value to fishermen increased over $29,000.

More Sockeye Processed

The British Columbia salmon industry shows that more sockeye and pinks had been processed by August 5 than last year. But other grades were landed in smaller quantities so that the total catch has been less. Up to August 5, about 384,650 cases, or approximately 37,800 cases less than in 1932 had been processed.

Although the canning of salmon has been smaller than in last year's period, one important reason is that substantial quantities of fish have been prepared for a market in fresh and in frozen form. This is to take advantage of improved marketing opportunities in the United Kingdom, whereas this fish had formerly been canned. The canning of sockeye salmon amounted to more than 220,000 cases up to August 5. This represents a gain of 17,000 cases over the pack at the same date in 1932. Production of pinks was 101,230 cases, a gain of about 27,200 cases.

The quantity of pilchards taken by British Columbia fishermen during July was only 6,253 cwt., relatively a trifling catch, as compared with 128,060 cwt. in July 1932. This decrease more than offset gains in other fisheries with the net result that total landings on the Pacific Coast fell off by almost 113,000 cwt. Sea fishers on the Atlantic coast showed an increase in the total catch of 40,320 cwt.

Atlantic coast results were featured by a tidy gain, about $32,400, in the landed value of New Brunswick's catch, and by increased returns from the halibut, mackerel, salmon, and lobster fisheries in Nova Scotia, the sardine, salmon, hake, and herring fisheries in New Brunswick, and the salmon and lobster fisheries in Quebec. In the case of Prince Edward Island there was a gain in cod, hake, and mackerel catch but value figures did not increase. New Brunswick's gain in landed value aggregate was chiefly due to increases in the catches of hake, sardines and salmon. The hake landings, 29,308 cwts. were more than three times as great as a year ago, and 21,290 barrels of sardines were taken, as against only 3,830 barrels.

British Columbia operations showed an increase of some 2,300 cwts. in halibut catch, which amounted in all to 24,410 cwts. and a gain of $41,150 in landed value, was another noteworthy Pacific coast result. Herring, ling cod, clam, and crab figures were also somewhat better in British Columbia than a year ago.

Commodity Prices

	Week ending Sept. 9	Pre-week week	Same week last yr.
Cattle ,cwt.)§ ..	$4.75	$5.00	$5.75
Copper, lb.	.09	.09	.06¼
Cotton, lb	.0885	.0945	.0810
Rubber, lb.	.0650	.0719	.0395
Sugar, raw, lb. .	.0361	.0356	.0315
Silk, lb.	1.85	1.90	1.82½
Wheat (Man) bu.°	.69⅛	.69⅝	.54¼
Hides, lb.	.12	.14	.08½
Coffee, lb.	.07¼	.07½	.08

Weekly Indices

N. Y. Annalist‡	102.8	102.0	96.3
Fishers'	♦70.9	70.8	†62.0
N.Y. Journal of Comm.■	69.4	68.5	60.9
Crumps (Brit.)*	64.5	64.3	†62.4
U. S. Labor▲ ..	69.6	69.3	65.2

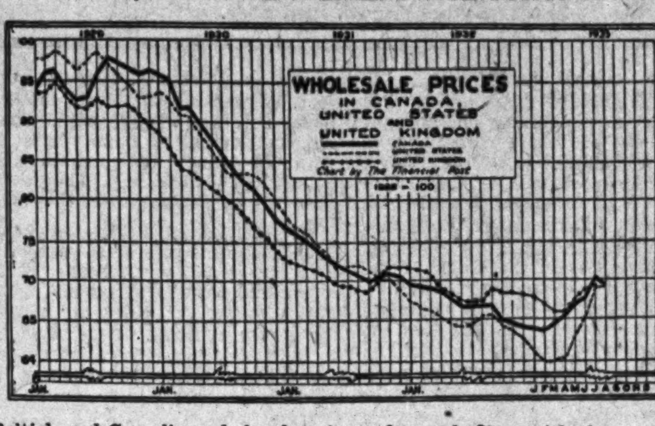
†Average, 1932. ‡Week to Sept. 5. *Week to Aug. 26. ▲Aug. 26. ♦Sept. 9. §Sept. 7. °Sept. 9. ■Sept. 9.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (August)	69.4	77.5	66.5
Retail (July)	77.8	77.6	80.8
U. S. Labor (July)	68.9	65.0	64.5
Gt. Brit. (June) ...	68.6	66.9	66.2

‡Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk — Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

British, Canadian and American Prices Rise



British and Canadian wholesale prices advanced along with the summer increases in American prices, the chart shows. The British (Board of Trade) and Canadian (Dominion Bureau) price indices have not advanced as much as the American (Dept. of Labor) but were not as low at the start of the movement. The same tendency has been occurring in other countries, as shown in an article on this page. The outlook appears to be for continuance of the rise, if inflationary steps are taken in the United States and elsewhere.

Trend of Rising Prices Prevails on World Scale

Opinion on Outlook is for Higher Wholesale Prices Over Both Short and Long Term — Revaluation of Gold Important

Wholesale prices here have been going up on a world-wide scale since April. This trend is not confined to Canada and the United States.

Informed opinion in the latter country appears to feel that this tendency will continue. Looking at the long term, say, 10-year, price trend, there are monetary reasons indicating gradually rising prices, in the opinion of authorities. Devaluation of gold currencies is considered of major import.

Indicative of the widespread character of rising prices in the summer of 1933 is the following table:

Increases in Wholesale Prices, 1933
Indices 1913 = 100

	April Indices	July Indices	Incr. %	July 1932 Indices
Canada	102.2	110.2	7.8	104.0
U.S.A.	86.5	98.7	14.1	92.4
Gr. Britain ..	97.2	102.3	5.2	97.7
Belgium	501	506	1.0	512
France	387	401	3.6	430
Germany	90.7	93.9	3.5	95.9
Poland	57.6	58.1	1.0	60.4
India	84	91	8.3	*87
Japan	133.1	137.6	3.4	111.6

Degree of Advance

The sharpest summer advance has been in the United States, followed by India, Canada and Great Britain, in that order. Japanese prices have risen more in 1933 than any of the others, due chiefly to inflationary policies in connection with the armed conflict with China. But this rise took place before April, and, therefore, is not evident from the table, except in comparison with the July, 1932, figure.

The general price level in each country is usually represented by a wholesale price index. Indices not used for this table would also show the same rising trend.

Gold and Non-Gold Rose

It is noteworthy that both gold standard and non-gold countries have enjoyed rising prices. The advance in non-gold countries has been the greater, however. There are five non-gold countries included in the table: Canada, United States, Great Britain, India and Japan. In all these prices were higher in July, 1933, than in the same 1932 month. In the four gold countries represented, France, Germany, Belgium and Poland, the general level of July, 1933, prices was below July, 1932.

The rise in prices in the United States is considered due in some measure to depreciation of the dollar. But the dollar declined 30 per cent, while prices rose only 14.1 per cent between April and July. This leads some observers to feel that the dollar is too low, not that prices have risen too high.

Short Term Expectations

American commentators who think the general price level in that country will rise, over the short term, base their belief on Mr. Roosevelt's price policy. They say that the American president wants even higher prices, and that he will work to that end. This would have a pronounced effect on Canadian prices, judging from recent experience. So much for short term prices.

Long Term Prices

For the long term, revaluation of gold is viewed as a major factor by economists. Devaluation of currencies is now regarded as almost unavoidable, in informed quarters. The result may be to cause a rising in long-term price trend, if the teachings of economists are even approximately correct.

The significance of upward revaluation of gold by, say, one-third, does not even yet appear to have been greatly grasped. This would mean an increase in value equal to about 15 years production at the record-breaking rate of 1932. It would be the equivalent of a sudden discovery of gold fields greater than the Rand, which turns out over half the world's present yearly production.

Experience of 19th Century

Economists explain rising long-term trends of prices in the nineteenth century by two things: war inflations and new gold discoveries. Whenever these two factors were not influencing prices upward, the broad tendency was toward deflation during the century. This was true in both Great Britain and the United States.

There is deemed to be one important requisite before this parallel can be applied to the outlook for the next ten years. That is the resumption of an international gold standard.

Assuming devaluation of gold and resumption of its free international circulation, the conclusion of authorities is that the rising tendency of prices may continue for some years.

Dominion Bureau of Statistics index number of wholesale prices, on the base 1926=100, fell from 70.5 in July to 69.4 in August. 87 quotations were higher, 90 were lower, while 325 remained unchanged.

Vegetable products declined from 69.8 to 65.7 due principally to price reductions for wheat, oats, rye, barley, flour, bran, and shorts. Animals and their products rose from 59.6 to 59.8, gains for hogs, calves, hides, milk, eggs and lard, influencing the index more than losses for steers, lambs, fresh and cured meats and butter. Fibres, textiles and textile products advanced from 70.6 to 71.1, higher quotations for raw wool and cotton fabrics, more than offsetting declines for raw cotton, silk and hessian. Wood, wood products and paper moved up from 62.9 to 63.4, better prices for pine and hemlock lumber outweighing price reductions for fir flooring.

Iron and its products changed from 84.2 to 84.5, due principally to gains for steel sheets, steel tank plates, and automobile body plates. Non-ferrous metals and their products dropped from 69.9 to 68.0, chiefly on account of easier quotations for electrolytic copper, lead, silver, tin and zinc. Non-metallic minerals and their products were 83.8 in August, as against 83.6 in July, with better prices obtaining for gasoline, kerosene and sulphur. Chemicals and allied products changed fractionally from 81.4 to 81.9. Zinc oxide, lithopone and quebracho extract moved upward, while alum and copper sulphate declined.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Sept. 2)	45,518	41,521	1,264,302	1,423,345
C.P.R. gross earn. (Sept. 7)	$ 2,377,000	$ 2,417,000	$ 71,344,000	$ 78,077,000
C.N.R. gross earn. (Sept. 7)	$ 2,949,341	$ 2,677,874	$ 92,686,988	$ 102,225,680
Monthly				
C. P. R. net earn. (July) ...	$ 1,368,380	$ 859,708	$ 6,229,521	$ 6,111,587
C. N. R. net earn. (July) ...	$ 820,466	$ 208,708	$ ‡2,158,515	$ 829,076
Iron and Steel—				
Pig iron, tons (July)	31,689	7,317	67,899	84,518
Steel, tons (July)	49,076	27,506	179,540	207,994
Automobiles prod., No. (July)	6,540	7,472	44,802	47,141
Auto Vehicles—				
Passenger, sales, No (July)	4,569	3,473	30,091	30,716
Trucks & buses, sales, No. (July)	571	544	3,502	5,082
Auto exports, No. (July) ..	1,790	1,540	10,504	4,659
Construction—				
Building permits (July) ...	$ 2,082,302	$ 4,412,169	$ 12,189,591	$ 28,753,213
Contracts (August)	$ 9,479,900	$ 12,688,500	$ 55,043,800	$ 99,989,800
Newsprint—				
Production, tons (July)	180,390	142,490	1,074,571	1,146,738
Exports, tons (July)	167,302	131,780	974,539	1,065,226
Sugar—				
Imports, raw, lbs. (July) ...	53,271,100	95,841,700	308,021,000	420,967,800
Melt. & ship., lbs.*	95,927,975	107,288,072	432,449,942	487,046,541
Manufactured, lbs.*	88,089,847	101,700,245	425,380,281	468,083,842
Flour—				
Production, bbls. (July)	1,322,923	1,201,965	7,565,309	7,134,414
Wheat flour exp., bbls. (June)	544,507	570,861	2,564,662	2,372,216
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (July) ...	116.18	37.85	458.68	445.83
Boots and shoes, pr. (June)	1,965,647	1,559,192	8,823,892	9,129,585
Petroleum, imp. crude, gal. (July)	118,271,494	104,209,139	381,537,889	555,187,131
Cotton, imp., raw, lbs. (July)	9,790,000	3,590,000	50,556,000	53,693,000
Rubber, raw, imp. lbs. (July)	2,670,000	3,425,000	18,748,876	30,096,659
Coal, imports, tons (July) ..	1,239,693	1,054,454	5,170,187	5,445,332
Gasoline sales, gals. (May) ..	42,190,000	47,307,000	149,766,000	161,805,000
Trade—				
Imports (July)	$ 35,738,380	$ 35,710,571	$ 203,574,494	$ 277,758,082
Exports (July)	$ 51,345,011	$ 42,818,084	$ 257,488,948	$ 265,121,495
Wheat exports, bus. (July) ..	16,373,532	19,620,224	99,742,109	87,825,296
Labor—				
Employment Index (Aug.) ..	87.1	86.3	......	......
Electric Power—Output—				
M. Kilowatt hours (July) ..	1,442,660	1,155,581	9,525,955	9,082,064
Finance—				
Failures, No. (June)	158	175	1,139	1,236
Failures, Liabilities (June) .	$ 3,794,000	$ 2,987,000	$ 20,821,069	$ 20,414,169
Bank debits† (July)	$ 3,527,824	$ 2,175,590	$ 16,723,096	$ 14,712,584
Bond sales (August)	$ 92,412,225	$ 9,419,968	$ 248,656,175	$ 198,402,806
Insurance sales (July)	$ 30,255,000	$ 34,469,000	$ 208,373,000	$ 253,002,000
Automobile Financing—				
Used cars (July)	$ 989,713	$ 1,228,019	$ 6,823,445	$ 8,684,978
New cars (July)	$ 1,138,620	$ 1,245,578	$ 6,818,331	$ 9,045,515

*Four weeks period, July 22 to Aug 12. †(000's omitted). ‡Deficit.

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New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Standard NRA Products Canada, Ltd., Canadian subsidiary of Standard Products of Cleveland, Ohio, have leased 6,000 sq. ft. of space at 9 Davies Avenue, Toronto, where they will manufacture automotive parts and assemble the British bicycle, "Trusty Triumph." Assembling of a line of British motorcycles will be added to the operations. W. C. Atkinson, formerly of the Chrysler Corp. of Canada, is president. J. S. Reid and John Newell, of Cleveland, are directors, and Norman J. McIlveen, also formerly with the Chrysler Corp. is sales manager.

Platinum Products, Ltd. has been formed as the new Canadian subsidiary of Platinum Products Corp., of New York, N.Y., with headquarters at 45 Richmond St. W., Toronto, for the assembling of cigar and cigarette lighters for distribution in the Canadian market.

Eagle Ottawa Leather Co. of Canada, 515 Front St. E., Toronto, which for some years has been distributing in Canada upholstery leather products of Eagle Ottawa Leather Co. of Grand Haven, Mich., is now manufacturing these lines as the result of an arrangement made by H. M. Whittington of the Canadian concern with the United States company.

Business Briefs

Car Loadings for the week ending September 2 amounted to 45,518 cars, which was an increase over last year of 3,997 and an increase over the previous week of 3,631. The index number rose from 68.32 to 70.15. The improvement was all in the Eastern Division.

Wheat Stocks at Sept. 1 were 198,840,021 bus., compared with 196,593,722 a week previous and 116,378,971 bus. in the same week a year ago.

Quebec Milk Truckers Must Obtain New Permits

Regulations concerning transportation of milk and cream, by truck or otherwise have been issued in Quebec. They stipulate among other things that all persons intending to transport milk or cream, by motor-truck or animal drawn vehicle, must obtain a special annual permit which is granted by the inspector-general upon written application, if the latter deem fit. Exception is made for the farmer who transports himself the milk of his herd or the product of the herds of his neighbors, when an agreement has been entered into by a group of farmers whereby each in turn will transport the milk and cream.

Another article, no less important, fixes the hours during which the transportation of milk and cream is permitted. Moreover, the holder of the transport permit must enter each day in a special book the quantities of milk and cream conveyed by him, the places whence derived, where loaded and delivered; and he must, on the first and the fifteenth of every month, send a report to the inspector-general, on a special form.

BUTTER SURPLUS CREAMERY WORRY

Said 10,000,000 Lbs.; Alberta Ships 672,000 Lbs. to Liverpool

A storage surplus of 10,000,000 lbs. of butter, some 400 carloads, was the chief subject of discussion at the recent meeting of the Ontario Branch of the Canadian Creamerymen's Association. The creamery men felt that they were not paying the farmer too much for butter fat cream but that nevertheless the creameries are losing money because of the low butter prices.

A solution to the problem would be export to the British market. It was pointed out, however, that this would necessitate further reduction in prices. A low price export basis for the next year was predicted by one operator, because of the surplus stock now on hand.

While this problem was being discussed in Toronto, shipments of 672,000 lbs. of Alberta butter to Liverpool were being arranged in Calgary. Produce firms are expected to make the shipment about September 15. This is understood to be one of the largest movements of butter on record.

The Alberta shipment is being sent to Great Britain in an effort to capture part of the market before Australian and New Zealand butter comes into it next month. This movement is expected to relieve Alberta of much of its surplus butter.

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New Books

DEBUNKS MELLON IN RACY VOLUME OF INACCURACIES

Biography of Great U. S. Treasurer is "Travesty"

Modern school debunkers do not wait until a man is dead before they indulge in a critical and unfriendly analysis of his life and deeds. Thus, one need not be surprised to discover that "Mellon's Millions" by Harvey O'Connor is a very sweeping indictment of former U. S. Secretary of the Treasury, Andrew W. Mellon, his whole philosophy of life and his entire business career.

Mr. Mellon himself has denied the statements and implications in the volume concerning him and his fortune. He points out that it attributes to him and to other members of his family a fortune of such fantastic and imaginary proportions as to be senseless. It alleges huge ownership in many companies with which he has never had any connection. Mr. Mellon labels the book as "a travesty of truth, in the nature of literary racketeering."

Somewhere between the sensational material gathered together by Mr. O'Connor and the sweeping denial of the man who has been called "the greatest Secretary of the Treasury since Andrew Hamilton" lies the truth.

Incites to Revolution

It has been said of this volume there is material in it to start a revolution. One wonders in reading it if the writer did not actually have in mind inflaming the fires of revolutionary radicalism in the United States. He is a former labor editor and many of his associates have apparently aided him in gathering material for the book. Certain it is that the collection of all the data would be a life-time job for any single writer.

Starting with a fairly simple unvarnished story of the migration to America and the initiation into business of Thomas Mellon, founder of the Mellon fortune, the volume proceeds to give the supposedly inside story of the rise of the Aluminum Corp. the growth of the Mellon banks in Pittsburgh, the development of the Gulf Oil Corp., and finally Mr. Mellon's career in American politics.

Even to the most casual reader, there are obvious misrepresentations in the volume and it is apparent that the purpose of the writer is not to interpret Mr. Mellon or his career but to pillory him before the American people. Because of this one hesitates to accept even the most categorical and well annotated chapters of the book as truth.

In fact it is more useful as a demonstration of the lack of protection afforded by the United States libel laws and as an exposition of the social effects of the creation of a large fortune.

Read with Mr. Mellon's protest in mind "Mellon's Millions" does tell in racy fashion some interesting financial history, much of it relating to such Canadian developments as the enormous power-aluminum project at Alcoa, in Northern Quebec, and the harnessing of Shawinigan Falls earlier in the century.

"Mellon's Millions" is published by the John Day Company, publishers, New York.

"Britons in Partnership"

In Great Britain of late considerable attention has been paid to a plan of Empire settlement involving the use of chartered companies operating in partnership with the United Kingdom and the Overseas Empire countries. The plan is to rationalize Empire production, relieving the unemployment problem in Great Britain at the same time that the development of Canada, Australia, New Zealand and the other Empire countries is stimulated.

A comprehensive survey of the plan and how it might be worked is given by L. St. George Grondona in "Britons in Partnership." The volume reprints a series of articles written by Mr. Grondona for the Morning Post as well as additional material on the economic development of the Empire.

The premise from which Mr. Grondona starts is that nearly £1,000,000,000 has been spent in doles in Great Britain since the war while less than £10,000,000 of public money has been invested in home and overseas Empire development; that over £1,000,000,000 has been lost by British investors in foreign government and municipal stocks while no less has been incurred in similar British investments; that there are enormous sums of idle money awaiting investment today; and that the unemployment problem, with over 2,700,000 men and women out of work, is as acute as ever in Great Britain. Mr. Grondona is known as an exceedingly well-informed student of Empire development and his proposals, which blossom naturally from the main stem of his argument, merit the consideration of all students of Imperial matters and of the statesmen of the British countries.

"Britons in Partnership," which bears the sub title "A Programme for the Rational Development of the British Empire," is published by the Macmillan Company of Canada, Toronto, at $1, a very reasonable price for a well printed, well bound survey of nearly 200 pages.

Canada Year Book 1933

The Canada Year Book for 1933 has just been issued. It is the official statistical annual of the country and contains an up-to-date account of the natural resources of the Dominion and their development, history of the country, its institutions, different branches of production, trade, transportation, finance, education, etc.—in brief, a comprehensive study within the limits of a single volume of the social and economic condition of the Dominion. This new edition has been revised throughout.

The first part of the Year Book deals with the natural features of the country; embracing its geography, geology, seismology, natural resources, and climate and meteorology, together with a special study on droughts in Western Canada. There is a general survey of production which bring together the data from different fields of Canadian production in such a way as to eliminate duplication of values as between primary and secondary industries, thus furnishing the basis for an approximation to the national income.

Labor, wages and cost of living, prices of commodities and services with interest rates and import and export valuations are discussed. The public finance of Canada, Dominion, provincial and municipal, is a universally interesting subject which also includes a treatment of national wealth and income and Canadian investments abroad and external investments in Canada.

A charge will be made to all receiving the Canada Year Book, though free copies will be given to Government Departments, public libraries and newspapers. Individuals may obtain the book from the King's Printer, at $1.50. University students, teachers and ministers of religion, may purchase the volume at 50 cents.

TRADE UNIMPROVED COLLECTIONS SLOW

Edmonton Reports Better Collections to Credit Men's Trust

Little improvement in retail and wholesale trade conditions is reported by the Canadian Credit Mens' Trust Association for the week ended Sept 9. Collections also show little improvement, except in Edmonton where it is reported that they are better and expected to continue so.

Reports from various cities follow:

Halifax.—No noticeable change is reported in wholesale and retail trade over previous week. Collections continue fair to poor.

Saint John.—Wholesale trade for the week, reported as only fair. Retail trade shows very little change over previous week, being just normal for this season of the year. Collections improving.

Montreal. — Wholesale groceries continue fairly active; dry goods moving moderately well; boots and shoes show a slight increase in volume; clothing and ladies' wear fair; hardware better but still quiet. Both city and country retail merchants report trade quiet but better than during the previous week. Both wholesale and retail collections slow.

Toronto.—No noticeable improvement as yet reported in trade, and business generally still inclined to be somewhat quiet although comparing favorably with volume for the same period last year. Fruit reports continue encouraging. Collections remain fair.

Winnipeg. — Very little change noted in trade conditions over previous week. Grocery and produce lines continue quite active. Retail trade for the week compares favorably with that of previous week but reported as rather quiet. Collections fair only.

Regina. — Wholesalers report grocery line fair, little change since last year; dry goods show comparatively no change; hardware fair. Retail merchants report city trade very quiet; a slight improvement noted in country trade lately due to seasonal requirements. Wholesale collections on current accounts good, very little on old outstandings as yet. Retail, city—fair to slow. Country report a few collections being made in the better crop districts.

Moose Jaw.—Wholesale boots and shoes reported quiet; wholesale and retail groceries fair; wholesale and retail hardware fairly good; retail dry goods fair. Collections continue fairly good.

Saskatoon.—Wholesale grocers report volume quite satisfactory although orders are small and there is not the usual seasonal increase; hardware rather quiet; oil sales remain fair only; boots and shoes fair to good. Retail city trade report sales fair with a slight increase over previous week due to special clearance sales at attractive prices and preparation for school. Country retail trade remains about the same. Collections unchanged.

Calgary.—Wholesalers report groceries in fair demand; retail groceries inclined to be spotty, but good in some districts, other districts showing movement in actual necessity lines only. Dry goods, clothing, boots and shoes report movement extremely slow. Hardware sales quiet. Collections on current accounts satisfactory, but no improvement noted as yet in old outstandings as result of harvesting.

Edmonton. — Wholesale grocers, produce lines, boots and shoes and dry goods report steady improvement in trade; hardware houses also report increase. Collections improved with substantial increase expected within the next thirty days.

Vancouver.—Generally speaking all lines of trade report business as keeping up fairly well, with an improvement in the volume of fall and winter commodities. Collections on current purchases appear satisfactory, but old outstanding accounts are not being reduced very rapidly.

Disappearance of Eel-grass Reported on Atlantic Coast

Disappearance of eel-grass along the Atlantic seaboard of Canada and the United States has been a source of concern to waterfowl lovers and bird conservationists. Reports received by the Department of the Interior, Ottawa, from Dr. H. F. Lewis, chief Dominion migratory bird officer for Ontario and Quebec, of his observations while on the summer patrol of the bird sanctuaries along the north shore of the gulf of St. Lawrence, hold out little hope for early improvement in the situation in that part of the Canadian Atlantic coast.

Early in June Dr. Lewis made a survey of eel-grass beds along the coast of the Maritime provinces and bordering some of the islands in the gulf of St. Lawrence which it was reported were being attacked by some destructive organism. He discovered that the shortage of this important food plant for Canada geese and brant on the Atlantic coast of Canada was growing worse. He stated that there was then practically no eel-gress left in the Magdalen islands, while the area of destruction along the coast of the mainland extended north as far as Gaspé.

Buy More Irish Linen

Canadian Trade Commissioner at Belfast reports that the Canadian consumption of linen from Northern Ireland in July was £4,700 in value over July last year, the amount being £18,632, but it was much below normal. However, Canadian business for the seven months of 1933 shows an improvement of £17,000 over the corresponding period of 1932.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Moley on Rackets

THE FINANCIAL POST conducts this column on "Rackets" with the dictionary meaning given above in mind. It is interesting to note, however, that Professor Raymond Moley who was to be the chief member of President Roosevelt's brain trust in combating racketeering activities in the United States because he had made a special study of the question, gives it the signification (more restricted than the dictionary meaning) that it has gained in Chicago the best-known home of the racket in the United States.

In an article in the New York Tribune he defines it as follows:

"A racket is not simply a crime of violence, slugging, destruction of property or ruffianism. It is really a manifestation of a fundamental lack of economic adjustment. It is as old as human history. The Greeks destroyed Troy because the ancient city by that name upset Greek commerce and extracted from Greek traders a constant tribute. Rob Roy in the Scottish Highlands was a racketeer who required farmers to accept his leadership as a sort of economic lordship over their fields and flocks.

"As applied to our own country, a racket properly understood is a form of extortion—a means adopted to permit the unlawful restraint of trade by the threat of coercion. An association of farmers or builders or fruit growers will engage in a racket when, by means of a threat of violence or some other illegal injury, it compels an unwilling minority to enter into a trade agreement."

* * *

Is Kidnapping a Racket?

IN MAKING a distinction between kidnapping and racketeering in the restricted sense he uses the term, Professor Moley says kidnapping is easy to prove when kidnappers are once caught. Racketeering is often difficult to discover and hard to prove in a court.

It may be interjected here that Colonel Randolph of Chicago includes kidnapping as a racket when he says that a racket is "a conspiracy to commit extortion by intimidation, force, violence, blackmail, arson, murder, kidnapping, bombing and undue influence."

Professor Moley defines the features that a racket has become identified by in Chicago and some other American cities as involving a threat, generally of violence, and as being carried on for the purpose of inducing an act that is generally quite legal. The profits involved in the forced relationship may be quite normal and reasonable, he says. It is almost always repetitious and continuous—a threat constantly hanging over a particular business. And finally, it may be elaborately organized and it may not. It may take the form of an association or it may be conducted by individuals. It is important to note, he says, that a racket is not merely a swindle or a piece of illegal activity. Bootlegging is not a racket unless it involves forms of coercion. Mere bribery is not a racket in that sense. Nor is cheating. Essentially the racket is a crude, rough means of economic adjustment in a world where economic life is still far from perfect. Sometimes the racket is attempting to accomplish illegally and in clumsy, destructive ways, an end that may be wholly desirable. One of the best ways of preventing them is to cut off their profits, he says.

* * *

N. R. A. to Rescue

PROFESSOR MOLEY declared further that the disease is deep seated and that no amount of external application of soothing remedies such as putting a few gangsters in jail is going to cure it. He noted that the evil occurred in what might be called border line industries, such as loading and unloading agencies and trucking companies. It appeared among stevedores. It occurred in highly competitive small industries like cleaning and pressing and dyeing. It flourished in some aspects of the building trade, particularly where labor unions and employers attempted to regulate their relations. Much of the racket procedure is based upon a desire to limit and regulate competition by joint action in spite of obstacles created by the anti-trust laws.

Professor Moley found in his studies that all came back to the U. S. anti-trust laws and the difficulty of providing adjustment within its rigid terms. He thought it absurd to tear down the laws because those laws were created to meet a definite problem and to put an end to definite evils. The passage of the National Industrial Recovery Act to him offered the most positive hope that business rackets could be effectively controlled. The chief reason for the hope for control was that the act made it possible for groups of business men to agree among themselves and with their employees on terms that provide fair and just conditions for everybody. It removed the danger of violating the anti-trust laws in this process and avoided the danger that would come if the anti-trust laws themselves were removed.

* * *

Racketeers Fully Responsible

IN ANOTHER article on rackets, Professor Moley deals with professional criminals, ignoring for the moment the great many crimes that are due either to plain mental defects or lack of mental balance. He claimed that those people who commit crimes, not because of the heat of passion or because of mental defects but because they want money, have nothing wrong with their minds, any more than there is with the minds of butchers and bakers and taxi-drivers. They were fully responsible for what they did.

Professional criminals, he said, usually operate year after year with only occasional interruptions. Their experience with "easy money" generally makes a return to honest labor very difficult. Crime becomes to them a career, a vocation as definitely established as that of a bricklayer.

Usually such criminals operate in groups with distinct differentiations as to the type of work which they do and as to their "cut" in the profits. Sometimes warfare among these gangs breaks out. In any case, organized professional criminals constitute a community within a community, with traditions, methods and an "ethical" code all its own. Its distinguishing feature is that it is at war with organized government and organized society.

"Unquestionably a great number of those now engaged in the business of kidnapping are professionals, with their associated plug-uglies and hoodlums who have turned from the dwindling profits of bootlegging to this fresh means of squeezing money from the public. When prohibition came to the United States fourteen years ago a great many underworld characters were drawn from their previous means of livelihood into the infinitely more profitable field of bootlegging. Some of the famous Chicago gang leaders were, before prohibition, in the business of collecting from gambling and disorderly houses. The criminal activity might change. The personnel of organized crime remains the same."

* * *

Is "Relief" Becoming Racket?

REV. J. B. CRAIG, a Winnipeg clergyman, told a service club at Calgary recently that unemployment relief in Canada is becoming little more than a racket, with both politicians and unemployed engaged in it. He said the Canadian system was a dole, pure and simple, encouraging pauperization.

* * *

British Fire Insurance Racket

IT COST the insurance companies and underwriters of Great Britain $175,000 to unmask the ringleaders in a conspiracy to rook the fire insurance companies in immense sums of money over and above the payments they should legitimately make on fire claims. Heavy sentences up to 14 years were given ten confederates after cases lasting about two months at the Bow Street and Old Bailey courts. Sixteen citizens apparently living the normal, respectable business lives of their neighbors, were brought to book on charges of conspiracy, fraud and arson.

There are interesting criminal phases of this case. It is instructive and very important to Canadians, however, here to note that, aside from frauds connected with arson, a racket had already attached itself to what in essence was a legitimate business and might easily do so in Canada if vigilance is not exercised. A man who has suffered a loss by fire necessarily does better with the aid of an expert in calculating the amount of his loss, in treating with the insurer and in advising on the terms and conditions of the policy. But strict honesty should obtain.

Leopold Harris, arch conspirator in the cases under review, put the getting of business ahead of other considerations. He realized that speed was everything in getting "claims" business. He organized an intelligence service and enrolled the help of those whose duty it was to discover fires, to report them and to put them out. In other words, he bribed policemen and firemen all over the United Kingdom and planted agencies here and there so that early information of fires could be obtained and acted on. Harris' agents called on a man while his factory was still smoking and the proprietor dazed and shaken from the disaster and they found it easier under such conditions to persuade him to entrust his claim to the expert. Their intelligence service became so good that it is reported often that a Harris agent informed the business man that his place was on fire before he knew it himself.

The plan of getting payment by results and the receipt of a commission from the policy holder, based on the sum recovered from the insurer, naturally made it to the interests of the Harris agents to inflate the sum at issue.

The Economist, London, describes the agent's "proposition" to a man who had just suffered a fire loss to be substantially as follows:

"How much do you think you ought to put on your claim for this fire? £500? Well, if I get you £600 or £700 you will have done pretty well and a little extra commission for me would not do you any harm."

"If the claimant is a dishonest man," comments The Economist, "or a man who, though honest in other directions nevertheless regards insurance companies as fair game, the bait is attractive and if it is taken by one client after another the assessor might easily become a professional inflationer, approaching every loss not with the idea of arriving at the true indemnity but with the determination to screw the claim up to the highest figure that he thinks the insurance company will tolerate. From this point onward he is fraudulent and as the game grows easier to play, and as he associates more and more with men of a shady type and learns how to play on the worries of men who are in financial trouble, the step from fraudulent inflation to deliberate arson is no longer difficult to take."

Harris relied for his success, first on bribery and corruption and second his knowledge of the reluctance of his opponents and of the authorities to take action. It is difficult to expose illicit bribery and insurance companies and underwriters dislike to appear as claim resisters either in civil or criminal trials. Their dislike is not any the less when the cost of exposing a dangerous and nationwide conspiracy is allowed to rest on their shoulders. The Economist feels that the state should bear the cost of such an action.

Walkerville Brewery Limited
Walkerville, Ontario

50,000 SHARES

No Par Value Common Stock
Fully Paid and Non-Assessable

The Trusts and Guarantee Co. Ltd., Toronto — Transfer Agent
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Capitalization

Funded Debt — NONE   Preferred Stock — NONE

	Authorized	To be presently Outstanding
No par value Common Stock	400,000 shares	375,000 shares

Directors
The Board of Directors will be as follows:

ARTHUR D. MILES, Gentleman, Chairman of the Board—Formerly President of International Nickel Company of Canada Limited.

HERMAN RADNER, President

PRESTON D. NORTON —Managing Director of Norton Palmer Hotel, Ltd. of Windsor, Ontario.

CHARLES W. ISAACS —President of Walker Insurance Agencies Ltd., Walkerville, Ont., formerly Assistant Treasurer of Hiram Walker & Sons, Ltd., Walkerville, Ont.

CHARLES P. McTAGUE, K.C. —of McTague, Clark, Springsteen and Spencer, Barristers and Solicitors, Windsor, Ont.

JOHN J. McHALE —President of Scott & McHale Ltd., London, Ont.

E. THISTLE, Secretary and Treasurer

THE COMPANY Walkerville Brewery Limited was incorporated during October 1928, by letters patent under the Companies Act of the Dominion of Canada, and as at December 31, 1930, took over the assets and business of its predecessor company, bearing the same name, but incorporated under the Companies Act of the Province of Ontario. The company is the direct outgrowth of one of the oldest industries of the town of Walkerville, Ontario, and was so named after the town in which its properties are located, by its founder, the late E. Chandler Walker, son of the late Hiram Walker who founded the town.

PROPERTIES The plant is located at Walkerville, Ontario, in the heart of its industrial district, and has excellent transportation facilities, having access to all the railroads serving the town as well as being located on a main thoroughfare. The plant includes a modern and up-to-date brewery in every respect, having an annual brewing capacity in excess of 135,000 barrels, or the equivalent of 1,750,000 cases. During the last eight years large sums of money have been spent on plant and equipment from the earnings of the company, so that the present condition of the properties is such as to require no large capital expenditures for some time.

EARNINGS During the nine year period ended December 31, 1932, the average yearly earnings of the company were in excess of 12% of the offering price of this issue after provision for depreciation, provincial and federal taxes and all non-recurring charges. During the nine year period since the present management has had control, the company in every year has operated at a profit.

DIVIDENDS During the nine year period ended December 31, 1932, the average yearly dividends paid to shareholders were in excess of 9% on the basis of the offering price of this issue. The company at this time is not on a dividend basis, but it is expected that with a moderate improvement in general business conditions, dividends will be resumed.

FINANCIAL The company is in an excellent financial position, having no obligations ranking ahead of its capital stock other than current trade accounts payable. After completion of the present offering of stock, which is the first ever made to the public by this company, its current assets ratio to current liabilities will be approximately 14 to 1, of which cash alone will represent an approximate ratio of 8 to 1.

MANAGEMENT The management of the company will be in the hands of those responsible for its past success.

GENERAL The future of the domestic market for the company's products holds promise, and should any change be made in the Liquor Control Act of the Province of Ontario in the near future, permitting the sale of the company's products in hotels, clubs and recognized restaurants, the position of the company would be materially improved.

PURPOSE OF OFFERING The company is making this offering, with the feeling that customers' ownership is desirable, and also with a view to permit those valued customers who for so many years have been loyal to the popular products of the company, sold under the trade names of "SUPERIOR LAGER," "ROB ROY ALE," "JOHN BULL ALE," "PURE MALT STOUT," and "XXX PORTER," to participate in the earnings of the company.

The company reserves the right to refuse either, all or in part or to limit the amount of stock to be allotted to any application or subscription.

Application for this stock may be made directly to the company, together with your cheque covering the same, or for your convenience, applications will be accepted through your broker.

Price: $3.25 per share

Walkerville Brewery Limited
Walkerville, Ontario

Walkerville Brewery Limited
Walkerville, Ontario.   Date ....

Please reserve........shares of stock in Walkerville Brewery Limited for which enclosed find cheque amounting to $........

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The majority of cancers —in early stages—can be successfully and completely removed or destroyed by Surgery, X-rays or Radium

SPREAD the encouraging findings about cancer. Too many people can see only the dark side of cancer.

There is a widespread and mistaken belief that cancer is incurable and that nothing can be done to stop its destructive progress. Such belief leads people, who have reason to suspect its presence, to delay having an examination—until it is too late.

Another reason why cancer often gains headway is because in its first stages it is usually painless and therefore disregarded.

Wounds that refuse to heal—warts, moles, scars and birthmarks that change in size or color or become scaly—abnormal lumps or strange growths under the skin in the breast and elsewhere—unnatural discharges—all call for immediate action.

Jagged or broken teeth should be smoothed off or removed. Continued irritation of the tongue or any other part of the body is often the beginning of cancer. When any one of the first signs of cancer is discovered, there is no time to lose. If an early discovery is made, the probabilities are that surgery, X-rays, or radium can effect complete recovery.

Cancer is neither contagious nor hereditary, although the history of the disease shows that certain types of individuals and certain families are more susceptible to cancer than others.

Some forms of cancer are obscure and can be detected only by a physician who has had long experience with the disease, but many of the ordinary first symptoms would almost surely be discovered in a thorough periodic health examination.

Tell people that cancer in its first stages can usually be entirely removed or totally destroyed. Help to save lives.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 16, 1933 | 10c a Copy; $5.00 a Year | No. 37

NEW ZEALAND SALE CONTROL HELD SUCCESS

Four Private Control Boards Manage U. K. Sales

STANDARDS SET

Government Does Not Run But It Helps to Organize Co-operative Market Boards

By J. K. ROSS-DUGGAN
Editor, Canadian Trade Abroad

On May 24, 1882, New Zealand's first cargo of frozen meat arrived at London Docks by the fast sailing ship "Dunedin" after a passage of 98 days from Port Chalmers. The shipment consisted of 3,521 frozen sheep, 449 frozen lambs, and 22 frozen pigs, which realized £8,000. Refrigeration of foodstuffs was now a proved fact and the door was open whereby New Zealand was to supply her meat and dairy products, fruit, honey and other foodstuffs to British and foreign markets. The Times described the venture as a "prodigious fact" and this statement has been well justified, for over 200,000,000 New Zealand frozen carcasses have been supplied to the British market alone.

For the first 30 years, the New Zealand meat and dairy producers battled bravely with their problems. Slow but steady progress was made. As early as 1908, the New Zealand Product Export Act made provision for inspectors and graders on the principle that "no product shall be shipped . . . unless it bears the prescribed stamp or mark or the certificate in writing as to quality and condition."

Private Enterprise

The principle of private enterprise was recognized by the authorization of special inspectors or graders for private slaughter houses who worked under the regulations of the Minister of Agriculture but whose salaries were paid by the licensed slaughterhouses.

The war years, of course, gave a great fillip to New Zealand exports of foodstuffs; but the expansion since has been truly phenomenal. The year 1931 was not by any means New Zealand's best export year but the figures for frozen meats represented three times the exports for 1912 and for dairy produce over four times. In 1931, New Zealand exported $51,860,000 of butter, $43,304,000 of frozen meat and $21,725,000 of cheese, practically all to the United Kingdom.

In visiting Great Britain, one cannot but be struck by the smooth and effective distribution of New Zealand's products. One finds them sold in most retail shops and commanding good prices. New Zealand publicity hits one from all angles. Most important of all, everybody—New Zealand producers, British wholesaler, British retailer and British consumer—seems to be fairly happy and satisfied.

Competition From Danes

New Zealand has had to meet very formidable competition in cheese from Canada, in meats from the Argentine and in butter from Denmark. Although richly endowed by nature with the proper pasture and climate for the production of the best butter, New Zealand has to haul her butter and other products over 9,000 miles; the Danes can reach their market overnight.

Danish producers had educated English consumers to a taste for their butter. New Zealand producers were at a disadvantage on account of irregular shipments. Butter from Denmark arrived on the English market frequently, regularly, the year round and in a fresh condition. Butter from New Zealand arrived in a few big shipments, generally in the same season, and after being in refrigeration a considerable time.

The disparity in prices between Danish and New Zealand butters was very marked during the latter part of 1922. Meat exports were not proceeding satisfactorily. Dissatisfaction with this state of affairs paved the way for an Act of Parliament making provision for the control of exports from New Zealand.

Advertising is Begun

British importers were sympathetic to advancing the sale of New Zealand butter and they recognized the necessity of an advertising campaign. A fund was subscribed by the importers amounting to £500 which was supplemented by the New Zealand government through the High Commissioner's Office to the extent of £250. Thus was started the first New Zealand products advertising campaign.

There are now four export control boards operating in New Zealand supervising the export of meat, dairy produce, fresh fruit and honey, respectively.

The Acts of Parliament constituting these four boards are drawn along practically similar lines. The first statute was a 1922 act to make provision for the appointment of a meat produce board, with power to control the meat export trade. A later act empowered the meat export control board to spend money for advertising.

Producers on Board

The board consists of two persons appointed by the Governor General on the recommendation of the Minister of Agriculture as representatives of the New Zealand government and five persons appointed by the Governor General as representatives of the producers of meat for export, following election by meat producers. There is also provision for the appointment of a person as a representative of persons engaged in business as stock and station agents.

In addition to the New Zealand office in London is an office of the board in London whose duty it is to keep the board advised of the current prices of meat and other matters relative to the disposal of New Zealand meat in England or elsewhere and generally to act as the agents of the board.

Very wide and arbitrary powers are provided for as follows:

(a) Grading, handling, pooling and storage of meats;

(b) Shipment of such meats on such terms and in such quantities as it thinks fit;

(c) The sale and disposal of meat on such terms as it thinks advisable;

(d) The insurance against loss of any such meat either in New Zealand or in transit from New Zealand and until disposed of; and

(e) Generally all such matters as are necessary for the due discharge of its functions in handling, distributing and disposing of New Zealand meats.

Dairy Products Board

The act, constituting the dairy products export control board, was passed in 1923. In this act, as also in the case of honey and fresh fruit, it was provided that a poll of all producers be taken to decide whether they would agree to the establishment of an export control board, the poll to be determined on a bare majority vote. As in the case of the meat products export control board, two representatives of the government were provided for on the dairy produce control board, but nine persons were to be appointed as representatives of producers, following election for nine wards with definite boundaries.

The value of votes cast was determined on a tonnage basis, one vote being given for every twenty tons or part thereof up to five hundred tons of dairy produce exported in the preceding year and one vote for every additional thirty tons or part thereof over five hundred tons. Every two tons of cheese was computed as one ton of butter.

The dairy produce export control board is exceptional inasmuch as the responsibility for grading and inspection does not rest on the board, but is undertaken by the Department of Agriculture.

During 1926 and 1927, the dairy produce control board attempted to corner the British market on New Zealand butter by holding up shipments in order to obtain a better price. This was really the only attempt of any group of New Zealand producers to fix prices and to clash with the established method of brokerage sales prevailing in the United Kingdom. This experiment was unsuccessful and resulted in a loss of over $15,000,000 for the New Zealand butter producers. The New Zealand export control boards now work in harmony with established methods of selling.

Producers Pay Cost

Organization and publicity expenses of the various control boards are met by levies upon producers. The meat export control board's total income for the year ending June 30, 1932 was £36,435, of which £17,397 was spent for advertising and publicity. The levies in the case of the dairy produce control board are at the rate of 1/32 pence per pound on butter and 1/64 pence per pound on cheese. The gross amount collected by the Dairy Produce Export Control Board for the twelve months ending July 31, 1932, was £41,090, of which £18,799 was spent on advertising and publicity expenses in the United Kingdom.

Notwithstanding the wide and arbitrary powers, the boards have proceeded very carefully and with due regard to the customs and peculiarities of overseas markets. Briefly, their accomplishments have been as follows:

They have made available to producers up-to-date information regarding overseas market possibilities. Grading and inspection have been strengthened and rendered most uniform. Ocean freight rates and insurance rates have been arranged at an economical figure. Supplies have been so regulated that foodstuffs arrive in Great Britain every month of the year in quantities which are approximately proportioned to the requirements of the market, determined as a result of previous market research.

Inspection Provided

An important feature is the inspection of merchandise both at port of shipment and at port of discharge in the United Kingdom. Shipping companies have adopted many improvements recommended by the board inspectors for better air circulation, large and improved types of fans, cleanliness, etc. The control boards have established a system of discharge and cold storage in the United Kingdom which operates most satisfactorily, not only at London but at other ports. Research committees are at work. A national brand has been provided which is placed on every package of the necessary grade. A further development may be the licensing of a specific group of London brokers or wholesalers to handle New Zealand shipments.

Important are the publicity and advertising campaigns which have been carried out by the control boards in the United Kingdom. During the twelve months ending June 31, 1932, over $250,000 was spent. For the 1931-32 season, the New Zealand dairy board participated in 20 important exhibitions, arranged 16 retail shop demonstrations and ran four exhibition shops, at which a total of 89,968 samples of butter and 100,494 samples of cheese were sold. Display material was distributed to 16,000 retailers, 3,500 multiple shops, 3,000 wholesalers, 3,550 co-operative societies and 1,500 importers.

Advertising on buses, street cars, railway trains, billboards, etc., was used. A constant appeal was maintained to the trade through the trade papers each week and a six months press campaign was run ir ten Northern provincial newspapers (where Danish competition is strong) and in nine women's publications. It may be noted Danish competition is particularly strong in Northern England. Sales promotion men are employed.

Quite recently the export of anything but full cream cheese from New Zealand was prohibited. A public function was arranged to welcome the first consignment of the new grade of cheese. Among those participating were the Lord Mayor of London (traditional Admiral of the Port of London) and his sheriffs, and representatives of the home producers and eminent doctors and scientists. Sir Leonard Hill, famous dietist, warmly commended the new product and commented on the importance of cheese in the national diet. The event received a good press.

New Zealand has endeavored to impart to her products a particu-

(Continued on page 15)

Canada's Railway Problem Is Large But Not Insuperable

Transportation Authorities Favor Amalgamation as Best Long-Run Solution But Can See Fair Chances For Improvement Short of That Expedient—Arbitral Tribunal Plan Condemned as Unworkable

By PROF. W. T. JACKMAN, Professor of Transportation, University of Toronto, and D. W. BUCHANAN, M.A., University of Toronto.

Canada's Transportation Problem

AT THE Liberal-Conservative Summer Conference at Newmarket, Ontario, last week, Prof. Jackman and Mr. Buchanan presented a lengthy study of Canada's railway problem. Space permits running only their recommendations as to the solution of that problem. The recommendations represent the views of Prof. Jackman, one of Canada's foremost railway authorities, and Mr. Buchanan, a younger but equally keen student of railway economics.

Our railway dilemma as an entity, as we face it today, cannot be solved by artificial means looking to transportation alone. General business conditions are so interlocked with the prosperity or failure of railway enterprise that one must give them a large place in the ultimate answer. In the report of the National Transportation Committee of the United States, the opinion was expressed that a 20 per cent increase in traffic volume would put most of the railroads on an earning basis, and that less than a 50 per cent increase would restore them to the net earning levels of 1929. Comparing the operating ratios of the Canadian Pacific Railway with those of the larger United States roads, one can fairly assume, we think, that the same figures could apply to the Canadian carrier. The Canadian National, however, under its present capitalization has yet to prove its earning capacity.

The major plan at the present time is, of course, that recommended by the Duff Commission, but even this does not attempt a complete solution. The twin questions of capitalization and the rate structure are shelved for future inquiry. A beautiful analysis of the competitive problem and its relation to the recurring deficits is given, but we are forced to admit that the solution proposed is not such as the problem demands.

Amalgamation Repudiated

In the first place the whole idea of amalgamation is repudiated on the grounds that the "time is not opportune for giving serious consideration to this particular remedy." But surely with the Federal Treasury faced with a loan of $91,000,000 for an annual deficit, one might expect rather drastic remedies. Actually, the time is most opportune provided we can face the term "amalgamation" without stirring up a lot of nightmares.

There are some very definite advantages to the plan. In the first place it would mean a centralized organization with administrative savings.

The biggest advantage, however, would be in the elimination of duplicating lines and facilities, with the proper "staggering" of schedules. Some of these benefits could be obtained by agreement between the two competitors, but there would still be friction over whose lines should be removed or relaid. In some cases, the proper staggering of schedules is almost impossible under competitive conditions due to the demands of the "hinterland" of each particular company, and also to the relative inflexibility of transcontinental schedules. While we may not all agree with Mr. Beatty's estimated savings of $64,000,000 to $70,000,000, we must admit that the sum would be enormous and a welcome addition to the net returns. It is significant, moreover, that two out of the three plans submitted to the latest Royal Commission emphasized united operations in one form or another.

Fear No Monopoly

There are disadvantages which must be faced, but some that have been raised are imaginary. A monopoly in transportation would not be effected even in the long-haul traffic. In the short-haul field, the motor truck is an extremely active competitor. In the long-haul field we find water competition both on local and through rates in Eastern Canada and on transcontinental traffic. The competition of American lines would still exert a restrictive force on rates from the Pacific coast to the mid-continent as well as in the territory in Eastern Canada.

Even without these preventives we have a judicial bulwark in the Board of Railway Commissioners who could stop extortionate rates through their powers over the reasonableness of tolls. Moreover, the so-called railway monopoly could not discriminate in its charges to competing manufacturers, because we again find the board armed with powers against unjust preference.

Certain sections of the community would have a definite price to pay. Those sections where duplicating rails would be raised might find communications hampered, but with thorough co-ordination of bus and truck service that we discuss later, their trouble would be largely mitigated. There would also be a short-run effect upon the labor force, but it would be minimized in time as the railway operations assumed a better paying basis. The same influence is being seen at the present time, however, as both Canadian Pacific and Canadian National Railways are getting their service upon a more consolidated basis.

Goodwill Versus Power

The most potent argument against amalgamation is that showing the political power of such an organization. There is a mitigating factor which is usually forgotten. A railway, in the absence of complete monopoly, lives on the goodwill of the shipping and travelling public. Even in early cases of absolute monopoly, the most far-sighted carriers recognized that Vanderbilt's "public be damned" attitude was wide of the mark. At any rate, political pressure "en masse" could only come through the ballot, and here the answer is not merely to vote against the railways, but to train and enlighten an intelligent public opinion.

Lacking amalgamation, however, the Duff plan of three trustees has merit. The old board with regional representation failed to check the unwarranted optimism of a young country. There would be much less chance for lateral public pressure while legitimate ideas could circulate through legitimate channels.

Arbitral Tribunal

But we are unable to express agreement with the idea involved in the arbitral tribunal. There we do find concentration of authority brought to an extreme! Instead of having a board of railway operating men decide on joint operations, we find ultimate decisions made by one man, the chairman of the Board of Railway Commissioners. As far as the present incumbent is concerned, we feel that he has earned respect for his fair-minded and impartial rulings, but we have no guarantee that the supply of such men will not fail, nor could we honestly give our support to all of the former chairmen.

Rights of Stockholders

Moreover, some thought should be given to the claims of the private railroad. After all, according to our corporation law, the owners or stockholders of a solvent institution are supposed to enjoy full rights of control over the operations of the physical plant through their power in the election of directors. In flat contradiction to this, the report outlines seven specific fields in which directors' decisions may be overruled by the arbitral tribunal. Based on fact, this ruling would be final since there would be no appeal save on the questions of law and jurisdiction and even here, the general and sweeping terms of the recommendation make the efficacy of appeal decidedly dubious.

Finally, the arbitral tribunal might be opposed on the grounds that it would be superfluous. Any student of railway operations knows the multitudinous detail of regulations which surround the enterprise. Not only are these found in the Railway Act, but one must also trace the general orders of the board and legislation embodying charters and agreements to obtain a complete picture. Yet here is recommended one more piece of regulation which could be even more onerous than the others to the railway which lost the decision.

Few Worlds to Conquer

At any rate, the main idea of the tribunal was to encourage joint operations and to block the continuance of the race to duplicate existing facilities. But a glance at a railway map of Canada shows that in the purely railway field, there are not many more worlds to conquer; the damage has been done. In other words, the last few years have provided a hard-earned lesson in economy to both Canadian carriers, and, once the present process of consolidation is completed, we may expect a sane and less sanguinary outlook on the whole question of competition.

On the question of capitalization, we are almost forced to agree with the recommendation of the commission as far as it goes. The report admits that on the basis of earning power exhibited from 1923 to 1931 inclusive, the capital structure of the Canadian National Railways is due for a drastic deflation. But the questions how far and by what means this process is to take place, have been overlooked. On a five per cent basis, the average net operating income referred to would only support a total figure of $500,000,000. Repudiation is an ugly word, but it should be frankly recognized that had receivership proceedings been instituted during the closing years of the war, some composition of creditor interests would necessarily have been effected. At the present time, all classes in the community are asked to bear a share in the final solution of the problem. It might well be in the interests of the various bondholding classes in the Canadian National system to sacrifice a little instead of having the unfortunate alternative thrust upon them, namely, the task of running the railway themselves, as a paying institution and without any support from the "long purse of the state."

Who is to Decide?

According to the report, the final composition should be left to the Board of Trustees. Again, however, we would question the wisdom of the recommendation. To a great extent, it would depend upon who the trustees were, and what were their business interests and training. After all, only the chairman was to be a full-time man. Actually, this intricate and thankless task should be delegated to a committee of men who would be best fitted and trained for such work; men, for example, such as well known financiers and accountants. Railway operating men may, but more likely may not have the necessary experience. Their work is poles apart from the field of finance.

Question of Trucks

As for the rate structure, the pivotal point in that problem is not so much the question as to whether rates are too high for shippers or too low for the railways, as it is a question of the ultimate effect of highway competition. Already the two railways have united in a store-door and pick-up service throughout Southern Ontario. If this plan spreads, it will undermine the whole Canadian classification, greatly lower rates on the first three classes of merchandise and therefore put pressure on the lower rates accorded to primary products. It is doubtful if the near future contains sufficient increases in traffic offerings to offset the resulting decrease in returns. Perhaps then, it is high time to seek for a solution of the highway problem.

In this question we must confess that the Duff Report took a highly sensible attitude. Highway competition is here to stay, for the simple reason that in some industries the truck can meet the transportation needs in ways that the railways are simply incapable of duplicating. Within a short haul, set by the commission at 50 miles, the advantages seem to lie on the side of the truck. It is more flexible, going directly from and to the loading and unloading platforms. Terminal expenses are largely eliminated whereas, on the railways, the charge for the 50-mile haul must take consideration of the major position of such charges.

On the other hand, in the long-haul field, the railways hold the palm. Terminal charges are mainly constant whether the haul be for 50 or 500 miles. Therefore, as the haul extends, the unitary charges travel in a relatively inverse ratio. Between these two terms, long- and short-hauls, there is a broad field, set by some authorities as high as 300 miles where truck and rail come into fair competition and carry off the laurels according as they are able to give the superior service.

Place of Truck

The ideal situation may be taken from the Duff Report itself:

"The truck has its place in the movement of goods, but its proper function is collective and dispersive and not that of a primary carrier. In a properly co-ordinated transport system, the railway would assume the main burden of the carriage of goods over distances exceeding 50 miles and the trucks would operate as collectors and distributors of freight."

Fifty miles seems rather low for the final figure. Railway switching activities and schedules must be taken into consideration before that is set. How is this "properly coordinated system" to be effected? The Duff Report itself takes a long step in that direction. It recommends that schedules of truck rates be published and adhered to. Common carriers must accept and carry what is offered without discrimination. Insurance must be carried against risks; accounts kept and returns rendered in a prescribed manner; uniform bills of lading should be enforced. Working conditions including wages and hours of labor should be checked. Due regard should be taken toward the preservation of roads and public safety.

Rate Regulation

To these, we would add two amendments to make the operating and rate conditions fairly comparable with those on the railways. In the first place, the authority with whom rates would be filed and by whom charges of discrimination would be investigated should also have powers of regulation covering the reasonableness of the tolls "per se." In this way, while discrimination itself may be absent, the rate charged a particular locality or product would not be able to get out of line with the general structure. Secondly, the bald term "discrimination" should be modified to "unjust discrimination." We could point to many cases where the board has found actual discrimination but has allowed the rate because no unjust or undue preference has been found in the face of circumstances attending the movement. After all, lower unitary charges on heavier than on lighter shipments or on longer than on shorter distances is a form of discrimination which usually cannot be classified as unjust.

Problem of Taxation

Taxation, however, is a form of regulation and all authorities do not agree with the Duff report when the claim is made that relief will come to the railways by regulation of truck traffic as distinct from taxation. The statement is made on behalf of the railways that the so-called taxes, paid by trucks, are not taxes in the real sense of the word since they pay nothing toward the general cost of government. It is then pointed out that such payments are comparable to the rail carrier's outlay in maintenance of his right-of-way plus fixed charges thereon. There is a germ of truth in the idea provided it be not carried to extremes. Certainly the truck should and does pay a higher assessment than a private automobile, because of its greater wear and tear on the highway. If, however, the total payments from such motor transports exceed a fair share of maintenance and fixed charges, then a form of true taxation is involved.

It is unfortunate that there has not yet been a study of this problem conducted in the light of purely Canadian conditions. Until such a study is made, we have very little alternative to our present empirical methods which, according to trucking firms at least, seem to be heading toward the marginal concept of charging what the traffic will bear.

Even Basis of Competition

However, the state's duty will have largely been fulfilled when it has set both forms of transportation on an even basis of competition. Much that has been said about highway carriers applies with equal force to water transportation. There again we find unregulated rates and devastating rate wars during times of traffic stringency. It would, of course, be impossible to have legislative regulation over ocean rates. Even inland rates regulation presents almost insuperable difficulties. Should the state decide, however, that water carriers do carry on competition on a preferential basis, there still remain two forms of regulation, namely, taxation and canal tolls. At the present time it would be difficult to prove unfair competition in this field because there seem to be fairly strong agreements between the rail and water carriers where competitive traffic is concerned.

For the rest, the railways should look to themselves. Present business methods with their characteristic small inventories and rapid turnover demand speedy and reliable transportation which has a degree of flexibility hitherto unknown in the railway world. The container system, demountable truck bodies or rail wagons are all ideas that have yet to reach the experimental stage in Canada. In sections of the United States, their use has already proved successful. Possibilities of electrification were advocated as far back as the Drayton-Acworth report of 1917 and have been raised many times in the House of Commons since that date, but we have yet to see an impartial investigation of the idea. A judicious co-ordination of truck and rail service would have great effect in lowering terminal expenses. The problem is large, but not insuperable. A solution can be reached if we postulate an intelligent co-operation on the part of all the interests concerned.

BRITISH FILMS NOW PRODUCED IN 13 STUDIOS

Feverish Activity Marks Current Cinema Scene

"DOUG" IN LONDON

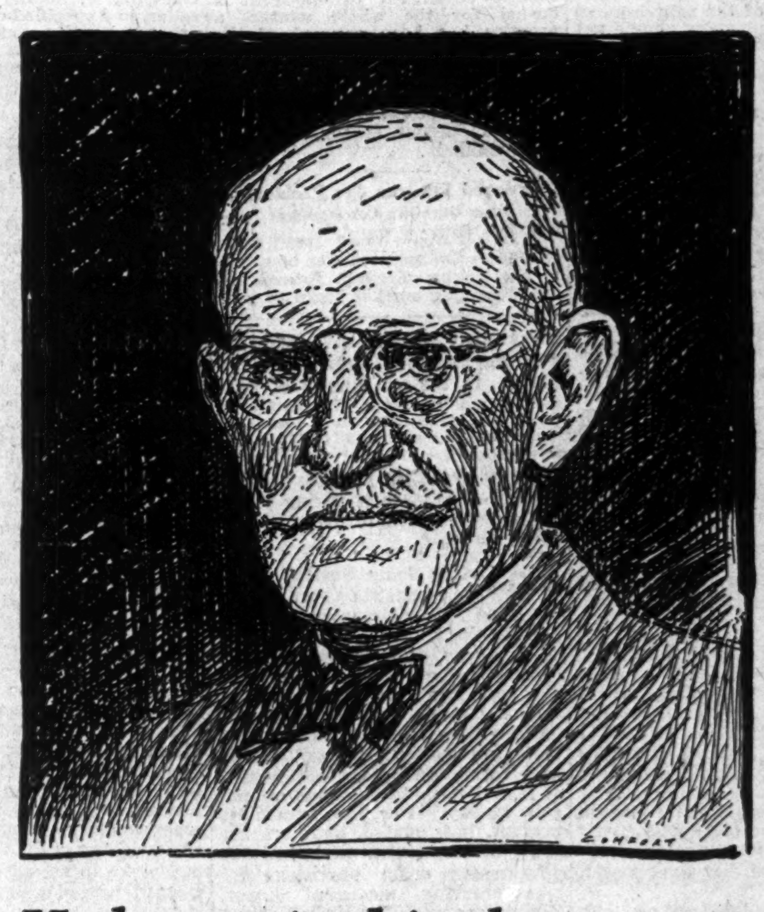
Fairbanks, Father and Son, Engage in Ambitious British Film Scheme

British film studios and British production companies are all busy with the most ambitious ventures they have yet undertaken.

Advices to The Financial Post from London, England, are to the effect that the British film industry has a 1933-34 schedule that will more than fill British quota needs and put British films "on a parity with American films in the markets of the world."

Three pictures are in process of production at the Gaumont Studios at Shepherd's Bush and Islington. The Twickenham studio, Walton-on-Thames, Sound City, Elstree and the smaller studios elsewhere are all hives of production activity and among the films presently under way or planned for the near future are "Magnolia Street;" "The Jew Suss;" "Chu Chin Chow;" "Mary, Queen of Scots;" "Rhodes," as well

(Continued on page 15)



He has arrived in the Succession Duty Class

He has been earning a good salary for many years and has always invested according to his financial ability. Like most men who succeed in building up estates systematically, he began by investing in life insurance. Later, he began to add other securities.

Recently, he realized that as it now stands his estate will be too large to escape taxation under the Ontario Succession Duty Act. Some years ago he had made his will and appointed a trust company executor. He was now led to wonder how the executor would be able to pay duty without selling, perhaps in an unfavourable market, some of his real estate or other property.

The problem was real. It might have affected his estate so seriously as to reduce noticeably the income of his family after his death. But it was not a difficult problem to solve. Seeing the probable need of liquid assets in his estate he turned again to insurance and took out a policy the proceeds of which will be large enough to meet the amount of duty that is likely. He also arranged that the policy designed to meet succession duty should itself be free of duty.

As his executor we are sure he has done wisely.

We have brought up-to-date and reprinted our booklet entitled "Notes on Succession Duty in Ontario." We shall be glad to send you a copy on request or to be consulted about the effect of succession duty on your estate.

National Trust Company
Limited
Assets under Administration $267,000,000
20 King Street East, Toronto

Wheat

From Our Grain Correspondent

Dissatisfaction With N. R. A.

WINNIPEG.—Renewed talk of inflation is credited with reviving interest in the wheat market at Chicago. But some reaction from the weak tone that has prevailed there for some time was to be expected. Speculative interest had to a large extent disappeared, owing to a combination of causes. One of these was uncertainty as to what new checks on grain trading might be imposed as the result of adoption of codes by different exchanges, a matter apparently cleared up. Perhaps more important was the fact that interest in possible price advances had been diverted from grains to industrial products, as the National recovery plan got under way, and a feeling developed that perhaps it was the city worker instead of the farmer who was to be the chief beneficiary.

The Government programme for buying up pigs and sows came in for a good deal of criticism, especially when it was revealed that the carcases were to a large extent being destroyed instead of being manufactured into meat and by-products. Then observers began to wonder if reduction of the farm animal population of the country might not seriously lessen the demand for corn, which would offset the present very low prospects for that crop. Then the signing of the London agreement on wheat had a bearish effect, because it called renewed attention to the extent to which United States prices are out of line with the export level, and there was some exaggeration of the wheat surplus in the United States from government sources in figures published to justify that country's participation in the wheat agreement, and the inauguration of the acreage reduction campaign. There was a lull in mill operations, as flour bought earlier to escape the new processing tax was used up, and at the same time farmers showed a willingness to keep up fairly heavy deliveries of wheat even when there was a recession of price. Time is really working toward improvement in the United States market, which seems by this time to have been exposed to the full impact of the new crop, so that marketing pressure should get somewhat lighter with the passing of each week.

* * *

Argentine Weather Important

ARGENTINE weather is one of the most important wheat market factors to be watched during the next few weeks. Liverpool paid a great deal of attention to the fairly heavy rains received over a large part of the Argentine during the past week, the first of any consequence during a period of five months. While apparently it cannot yet be said that the drought has been completely broken, the outlook for production has at least considerably improved. Fears are entertained in the Argentine as to extensive damage from grasshoppers this year, and large scale plans have been made to check infestation if possible. Australian conditions are somewhat like those in the Argentine, inasmuch as a long winter drought was succeeded by some extensive precipitation, but still not sufficient to leave the crop outlook anything but doubtful.

* * *

Government Estimate Bullish

THE Government crop estimate of 264,000,000 bushels of wheat for the Prairie Provinces, with a total for all Canada of 282,711,111 might be regarded as slightly bullish, as it is a little smaller than the most recent private estimates. It is larger by a considerable margin than some of the most pessimistic private estimates made when growing conditions were at their worst.

* * *

Rains Aid Subsoil

WESTERN CANADA continues to experience a good deal of rainfall, with threshing interrupted over a large area. Some damage to the grading of wheat is inevitable, and already samples have indicated a certain amount of sprouting in the grain. In the drier parts of Saskatchewan the sight of innundated fields and of muddy roads has been welcomed as a sign that perhaps the long depleted sub-soil moisture is to be replaced, and at least some growth of pasture is taking place, and water supplies for livestock are being restored.

* * *

Coarse Grain Outlook

THE rye market has been stimulated by a fair amount of export to the United States, in spite of the duty of 5 cents a bushel. Chicago reports the quantity actually moved to have been close to a million bushels, and suggests that more will be required, as distillers there are increasing operations in expectation of speedy restoration of their liberty to manufacture and sell whisky. For the immediate present, it is stated, distillers are being allowed extra quotas by the government under provisions for manufacturing medicinal liquor. While brewers in the United States are currently depending upon home supplies of barley, these are known to be short, and a fair trade in Canadian barley and Canadian malt is expected before long.

Grain and Milling in Canada

S. HEMISPHERE WHEAT SHIP'TS SUSTAIN TOTAL

Pact Quotas Will Alter Scene — Churchill Bids for Winter Storage

WINNIPEG. — Although world shipments of wheat last week increased above the level of the previous week, this was due to the continuance of southern hemisphere shipments at a substantial rate, over two million bushels from Australia and nearly a million from the Argentine, while Russian shipments amounted to nearly a million bushels. There were also large shipments from Northern Africa.

Canada had about 4,000,000 bushels, out of a world total of just over 11,000,000. Canada is keeping close to a weekly average that would just make the two hundred million bushel quota alloted to her under the London agreement. The United States is not shipping anywhere near the rate that her allotment would call for, and the Danube countries, although they are making extensive barley shipments have not commenced to ship at the rate their allotment would provide.

S. Hemisphere Ahead

The southern hemisphere countries, however, are still keeping ahead of the rate that would cover uniform weekly use of their quotas, although in both cases it seems likely that a slackening must soon come. Weekly world shipments have not yet reached a rate that would cover total world trade requirements as suggested by the agreement, but Oriental takings are always small just at this time of year.

Trading interest in the Winnipeg market continues at a very low ebb, but some export business continues to be done, so that future prices, although standing usually at the peg, and with considerable intervals passing without transactions being recorded, occasionally move fractionally above.

By reducing the winter storage rate at Churchill to one cent a bushel for the whole winter, a promise has been secured of the storage of sufficient wheat at that port to fill the elevator to capacity during the winter. Further shipments of grain out of that port during the current season, however, seem unlikely.

Pegged Futures Are Problem

From Our Own Correspondent

WINNIPEG.—While fresh difficulties in the maintenance of a peg in the prices of grain futures on the Winnipeg market begin to present themselves with the approach of the October delivery month, it is quite possible that these will be successfully surmounted, although it may require a greater amount of participation on the part of the government marketing agency than had earlier seemed probable.

The mere existence of a peg does not in itself guarantee the possibility of sale at the set price. It simply prohibits transactions at less than the stipulated price, and transactions, not in actual cash wheat, but in contracts for future delivery. When the market is at the pegged price it may mean that business is going on at that price, with buyers still ready to take it there, or it may mean that business has been brought to a halt.

For the greater part of the time since price pegs were established on August 14, at the closing prices of that day, trading has proceeded at prices somewhat above the pegged prices. An excellent export business has been done, indicating that the peg had not been set too high for existing conditions. And even when, as has happened, prices remained for some time at the peg, business has still gone on to some considerable extent.

Government Aid

But the market has at times come to a standstill, and without supplementary provision that might have brought country selling of wheat by farmers to a stop, for the elevator companies are able to buy it only as they are able to sell hedging contracts for future delivery against their purchases. This was taken care of by an assurance on the part of the government agency that sufficient futures would be purchased at the pegged price in order to take care of the hedges on country purchases. Up to date this does not seem to have resulted in any great additions to the holdings of that agency, on account of the ability of the export trade to absorb wheat.

But even though the country deliveries and the export trade are both taken care of, there still remains a problem in connection with the liquidation of futures contracts. Such contracts, although they call for the delivery of wheat of a contract grade, at the option of the seller, in a specified delivery month, are not usually completed by the delivery of wheat. Most of them are liquidated by re-purchase or by resale, as the contract month approaches.

Threat to Cash Mart

Those who have bought October contracts, as a hedge against operations elsewhere, or as a speculative venture, must either sell those contracts again, or have wheat delivered to them in October for which they may have no use, and which they might be forced to sell again immediately, thus unduly weakening the cash market. If they are unable to sell out the future contract, because no buyer appears who is willing to pay the pegged price, the latter is the only alternative. The problem is really not so serious as it might be made to appear, as actually a great deal of the October future sales, made against wheat in the country which is not likely to be available for delivery in that month, have to be repurchased by elevator interests, which in turn place their hedges in a more distant month.

If the peg is to remain it may be necessary for the government agency to take one of two steps. One would be to increase its holdings in more distant months, creating, by more aggressive buying there, a market background against which the liquidation of the October future might be accomplished. The other would be to maintain extensive holdings in the October, and to undertake to accept delivery of all wheat tendered against that option.

The essence of the situation is of course the fact that both public participation in the market and trading operations tend to be restricted by both the presence of the government in the market to so large an extent as is now the case, and by the existence of a price peg. That tendency may be overcome by other factors, which at times have actually been operative, and might become strongly so. But for the present, the fact of the peg, coupled with the fact of government intervention, tends to make still larger government participation necessary.

OUTPUT OF GRAINS LOWEST IN YEARS BUREAU EXPECTS

Late Sown Corn, Sugar Beets, Potatoes, etc., 20% Below Normal

Canada's 1933 wheat crop is estimated at 282,771,000 bushels, consisting of 268,628,000 bushels of spring wheat and 14,143,000 bushels of fall wheat, according to the Dominion Bureau of Statistics. Of the spring wheat production, 264 million bushels is in the three prairie provinces. This agrees closely with other estimates for the prairies. The production of oats is forecast as 316,966,000 bushels, barley 64,291,000 bushels, rye 6,418,000 bushels and flaxseed at the very low figure of 756,000 bushels.

Yields of all grains are much below average and show a close relation to the harvests in the dry season of 1931. The 1933 production of wheat will be the lowest since 1924, oats since 1929, barley since 1921, rye since 1931, and flaxseed the lowest in the records of the bureau dating back to 1908.

Judging by condition at Aug. 31, there will also be short harvests of the late-sown crops, including corn, potatoes and sugar beets. These late crops are distinctly less promising than in 1932 and are about 20 per cent below average. The condition of pastures throughout Canada is poor.

Small Grain Yields

Total estimated yields of all the small grain crops in 1933 are considerably below the long-time averages and the 1932 harvests. The reduction was largely due to a Dominion-wide deficiency in summer rainfall and to periods of abnormally high temperatures, aggravated in the prairie provinces by destructive outbreak of grasshoppers.

Despite slightly higher acreages seeded, Maritime grain production is less than in 1932, principally because of lower yields of the main oat crop. Wheat and barley withstood the drought much better. Conditions improved somewhat during August. In Quebec also, conditions during August were more favorable to crop growth and there was a slight improvement in yield prospects as a result. The yields of the principal grain crops are about 10 per cent below those of last year, and the late crops also are less promising.

Grain yields in Ontario are extremely disappointing, but are slightly higher than those indicated by July 31 condition. The average yields per acre of spring wheat, oats and barley are the lowest since 1921 and only 3 lower yields for oats are in the records back to 1882.

Western Grains

In the Prairie Provinces, the unfavorable season caused a lowering of yields almost to the extremely low levels of 1931. Generally, the wheat and rye yields are slightly higher than indicated by July 31 condition, while oats, barley and flax are lower. Oat yields are quite low in comparison with the other grains. The prairie wheat production is the lowest since 1924 and flax production is by far the lowest in the bureau records, which date back to 1908. Alberta again has the highest wheat yield per acre but Manitoba's average is very close. In British Columbia the yields of spring grain crops, principally wheat and oats, are only slightly changed from last year's harvests.

Pasture and Late Crops

Excepting beans, buckwheat, fodder corn and sugar beets, the condition of the late-sown crops declined further during August. The effects of summer drought were too severe to be overcome by the moderate rainfall of the month. All the late-sown crops are much lower in condition than at the same date last year and are about 20 per cent below average. The potato crop shows a condition of 80 on August 31 compared with 84 on July 31 and 91 on August 31 last year. Sugar beets did not change in prospects during the month, the condition figure remaining at 83 compared wtih 94 at the end of August last year. A further decline in pasture condition from 77 at July 31 to 73 at August 31 resulted from further deterioration in every province except Quebec. In Prince Edward Island, Ontario and the three Prairie Provinces, the pastures are extremely poor. Considering the whole Dominion, the condition of pastures is the lowest on the bureau records back to 1908, excepting 1914.

Exports of Wheat Flour Higher During August

August export of wheat flour from Canada was 480,288 barrels valued at $1,948,441, compared with 330,382 at $1,094,460 a year ago and 522,178 at $1,795,477 two years ago. The average export price last month was $4.06 per barrel compared with $3.31 a year ago and $3.44 two years ago.

During the first five months of the present fiscal year the export of wheat flour was 2,317,027 barrels valued at $8,010,467 compared with 2,064,879 at $7,043,336 a year ago and 2,286,821 at $8,070,056 two years ago. The average price over the last five months was $3.46 per barrel compared with $3.41 a year ago and $3.53 two years ago.

Canada's August export of wheat was 8,652,970 bushels valued at $6,656,511 compared with 18,289,832 at $10,642,471 a year ago and 11,909,108 at $6,620,677 two years ago. The average export price last month was .769c per bushel, compared with .582c a year ago, and .556c two years ago.

Churchill Ships More Wheat But Receipts, Stocks Down

Wheat clearances from Churchill have been heavier this year to date than last year. During the week ending Sept. 1 the export was 944,000 bushels compared with 228,000 during the corresponding week a year ago. The season's clearances up to Sept. 1 totalled 2,178,000 bushels as against 824,000. The total exported from Churchill during the navigation season of 1932 was 2,736,000 bushels and in 1931 it was slightly over half a million.

However, wheat in store at Churchill on Sept. 1 was only 258,728 bushels compared with 1,701,121 on September 2, 1932. The receipts during August this year totalled 6,618 bushels as against 234,326 in August last year, a decrease of 227,708 bushels.

Winnipeg Grain Prices

Week to September 12

Crop year from Aug. 1, 1933 High	Low		Open Sept. 6	High for week	Low for week	Close Sept. 12
		Wheat				
.89¼	.67	October	.70¼	.70⅝	.70¼	.70¼
.90⅞	.69	December	.72	.72½	.71⅝	.71⅝
.95	.73	May	.77⅜	.77⅞	.76⅝	.76⅝
		Oats				
.45	.37	October	.37½	.37¾	.37⅛	.37¼
.45¾	.36¾	December	.38⅝	.38⅝	.37⅛	.37⅛
.48½	.37⅛	May	.40	.40⅛	.39¼	.39½
		Barley				
.55⅝	.41¾	October	.41¾	.41¾	.41⅝	.41⅝
.56⅞	.42¾	December	.43⅛	.43⅝	.43¼	.43¼
.59⅝	45	May	.46	.46½	.45⅞	.45⅞
		Flax				
1.55	1.36	October	1.45	1.47¾	1.38½	1.47
1.54	1.35¼	December	1.46	1.50½	1.41	1.49½
1.60	1 40¾	May	1.53½	1.57¾	1.46½	1.57
		Rye				
.62¾	.45¼	October	.52⅛	.55¼	.48⅛	.52¾
.64½	.47½	December	.55	.56⅝	.50½	.54⅝
.68½	.51⅞	May	.58⅛	.61½	.55½	.58⅝

U. S. Publishers Oppose N.R.A. Newsprint Code

Last Minute Code Put Forward by Operators Interpreted as Leading to Price Increase and Monopolistic

From Our Own Correspondent

MONTREAL.—Newsprint manufacturers in the United States have presented a third Code of Fair Competition under the National Industrial Recovery Act at Washington. As the revised code was submitted just prior to the hearing, Deputy Administrator W. W. Pickard allowed publishers and others a week within which to file additional objections.

The initial hearing saw strenuous objections from the daily newspaper publishers to certain provisions in the code which, they fear, will result in disproportionate increase in the price of newsprint and in application of the tariff to newsprint in the event they are approved.

Draw Up Three Codes

The original code was a lengthy document and contained particular reference as to minimum prices for newsprint in the various zones into which the United States had been divided, as well as regulation pertaining to the import of newsprint in such volume or under such terms as would render ineffective the code.

This effort ran contrary to the terms of the N. R. A. and a second code was drawn up by the manufacturers. This was much simpler in form and eliminated reference to minimum prices and imports, confining itself to hours of labor and minimum wages.

Has Broad Interpretation

Prior to the hearing last week the manufacturers introduced a third code, which was much broader in scope than the second one and as rigid in regulations as the first one. While Code No. 3 does not specifically mention minimum prices for newsprint, a section permits the Code Authority to establish a "standard method for determining cost of any product of the industry and for a requirement that no member shall sell any such product below such cost."

Representatives of the publishers took objection to the revised definitions of the words "newsprint" and "industry" and to an appendix naming a number of trade customs and practices.

Object to Cost System

Objection also was made to what the publishers regarded as ambiguous provisions calling for establishment of cost systems by the newsprint industry and to a clause calling for "suitable restrictions" on importation of newsprint if these restrictions are judged necessary after an investigation under section 3 (e) of the act.

The code contains a lengthy description as to the meaning of the word "newsprint." The publishers argued that if a definition was necessary there could be no better one than that proposed by Representative Fordney in 1922, when he declared newsprint to be "that form of printing paper on which newspapers are published."

Modest Labor Increase

It was brought out at the hearing that under the new code the newsprint industry would provide employment for less than 1,000 additional workers, while increased wages would not amount to more than 4 per cent of the present payroll.

Increased labor costs as a result of the code would not raise the cost of newsprint more than 30 cents a ton in the opinion of publishers' counsel. At the outside, he said, even granting the increased minimum wages asked by labor, the cost would not rise above $1 a ton.

Anticipate Price Advance

Under the code, said publishers' counsel, newsprint manufacturers could increase prices from $10 to $15 a ton.

"Not only could they do it," he said, "but they would be obliged to do it. And it would be worth a tidy sum to them, for the period of the code, to bring back into production every obsolete mill in the United States and pay each one of them a bonus for operating. In fact, it is not exaggeration to say that the higher they could run the costs of some of these mills, the more they could gouge out of the consuming public."

Object to Tariff Clause

The tariff clause also came in for strong opposition from the publishers. This clause permits the Code Authority, set up to administer the code, to secure current information concerning the competition in the United States market of imported newsprint. If it is found that such imports are in substantial quantities, on such terms or under such conditions as to render ineffective or seriously endanger the maintenance of the code, recourse can be had to the President of the United States for restrictions on imports.

Regarded as Monopolistic

This clause is regarded by the publishers as a monopolistic attempt by the manufacturers to set up a control of the price structure of newsprint paper and "while seeking to control it at home, they reserve the right to sell abroad at any price, without any restrictions whatever."

In presenting the code for the manufacturers, C. K. Blandin, president of the Blandin Paper Co., of St. Paul, Minn., said that it was but an initial step in the rehabilitation of the industry, pointing out that the code would help toward eliminating price cutting and other destructive practices.

Code Not "Complete"

The code as presented was not regarded by Mr. Blandin as complete, because it did not reach the foreign manufacturers. Imposition of undue burdens on United States mills as a result of the code, he said, would complete the removal of the industry to Canada. Even if the Canadian mills joined in the code, he said, it would not solve the difficulties faced by the American manufacturers.

FRUIT GROWERS OF B. C. VALLEYS ASK MARKET ACT

"Breakdown of System of Competition," is Claimed

From Our Own Correspondent

VANCOUVER.—Legislation designed to bring about "more orderly marketing" of the fruit crops of the Okanagan district in British Columbia will probably be requested of the Dominion Government in the near future.

It is the craze of the moment in British Columbia's most important orchard area to feel that the day of individualism in fruit marketing is over, that centralized selling must be adopted to stabilize prices and restore prosperity.

The marketing situation during the past few years has been anything but satisfactory. First came the collapse of the provincial Government's attempt at compulsory co-operation. Then it was thought that the shippers and growers, by entering into voluntary agreements, could better marketing and distribution. These hopes were apparently excessively optimistic. Low prices and no profits have been the rule.

Want Competition Curbed

Although a report by Sanford Evans, recommended a return to individual competition as opposed to control, the developments of recent years have convinced growers that there have been an excess of competition and too much unregulated buying and selling.

The itinerant truck buyer has been an important factor. The fruit growers, lacking satisfactory selling arrangements with the larger shippers, unable to obtain sufficient credit from the banks, have been tempted to sell to truck operators for cash, forcing a general breakdown in prices.

At the north end of the Okanagan Valley nintey per cent of the tonnage has been signed up by the shippers in a centralized marketing plan.

Producers are debating the possibility of getting Dominion legislation to embody the principles of the British Agricultural Marketing Act in time to secure orderly marketing of the next fruit crop. Unless this is done, many of the producers see little early hope for the industry. Next year there may be 1,000,000 more boxes of apples to market.

After an almost ruinous season, fruit growers in the Pacific Northwest states are organized under the new United States agricultural legislation

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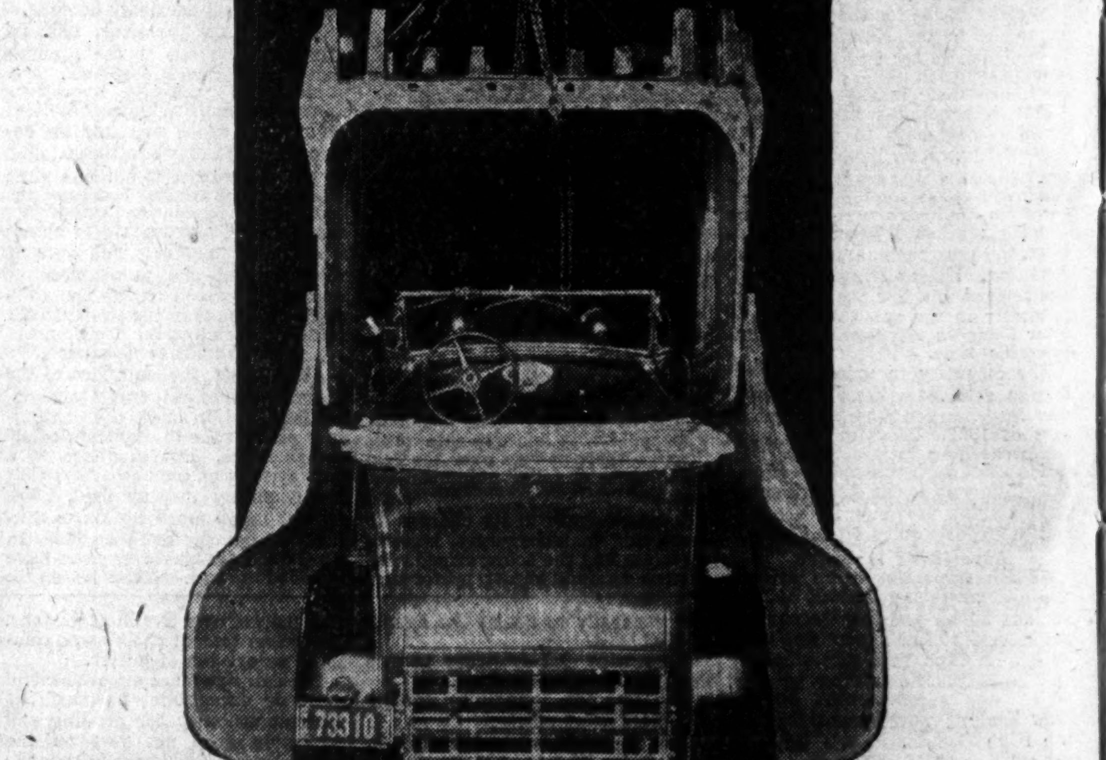
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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Large Business Is Done In Saving Certificates

Available Financial Data Concerning Investors' Syndicate, Western Savings & Loan Assoc., Champion - Simmons, Inter - Mountain Building and Consumers' Finance

As a prelude to this article giving available financial and other pertinent data concerning Investors' Syndicate, Inc., Western Savings & Loan Association, Champion-Simmons Investment Co., Inter-Mountain Building & Loan Co. and Consumers' Finance it is important to carry in mind four of the main conclusions expressed in an article on this page last week. They are briefly as follows:

First, it is a good thing for every earner to have a definite savings plan looking to accumulation of capital because in that manner an earner can accomplish most surely various desirable things which require money beyond the scope of current income and he can prepare as well for the time when earning power is lower or ceases.

Second, anyone entering into a contract with one of these companies should read his contract slowly and carefully to make sure that he thoroughly understands all his responsibilities and privileges under it and that he has reasonable expectation of being able to keep up to maturity all the payments required of him.

Third, he should ascertain definitely whether or not there are regular independent audits of investments made by the company with the interests of certificate holders in mind — preferably as a result of regulations made and supervised by various securities commissioners or other competent Government officials—and that securities shall be deposited under proper custodianship to cover more than the liabilities of each company in the respective provinces.

Fourth, that there will be available frequent audited reports (preferably from Government sources) as to certificates outstanding, liability under them, and mortgages, bonds, loans and other assets held to protect them.

Investors' Syndicate Prospers

Investors' Syndicate of Minneapolis has been in existence since 1894 and during the last decade its successive balance sheets have shown a very strong position. These balance sheets are audited by a New York City firm of auditors (S. H. & Lee J. Wolfe, Inc., consulting actuaries, auditors and accountants) on behalf of the shareholders.

The shareholders of Investors' Syndicate are in great part its senior officers who own 84 per cent of its common stock. The board of directors is a working board every member of which devotes all his time to the affairs of Investors' Syndicate.

There have been to date no defaults in payments of maturities or any other obligations in the history of the company. Some restrictions were necessary for a brief time during President Roosevelt's national banking moratorium in early March of this year, but the company took advantage of the demoralized conditions of the time to obtain Government issues and other high-grade bonds on exceptionally advantageous terms. Its liquid assets exceed $8,000,000 out of total assets of more than fifty million dollars. It has therefore been in an excellent position during the time of crisis to meet demands for withdrawals and maturities.

Liquid Position Good

Officers report that receipts from certificate holders continued high during the depression and that, just after the banking holiday, one day's remittances struck the record. On May 30 liquid assets, consisting of cash and securities valued at $8,079,664, represented an improvement in 12 months of $2,477,267 after payment of $10,167,241 in maturities, loans and cash surrenders in the same period. The company paid $3,624,690 to certificate holders in 1932, and to these the contract was an excellent one because they had paid through in most cases to maturity.

Under provisions of its various certificates Investors' Syndicate is required to maintain the bulk of its assets in cash, U. S. and Canadian Government and municipal bonds, such other bonds as are legal for life insurance companies in New York State and first mortgages or first deeds of trust on improved real estate. The latter make up 60 per cent of its assets.

Claims Mortgages Sound

Investors' Syndicate controls mortgage loan offices in 20 important centres of the United States and Canada. It reports that receipts under its plan are so constant that it is able to arrange for loans months in advance of funds received so that loanable funds get into employment at once. It makes no loans upon farms, hotels, business properties, theatres and its loans are limited strictly to improved city residential properties; 85 per cent are made on homes occupied by the owners. No loans

(Continued on page 12)

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Enquiries

Western Homes

Several years ago I bought shares of Western Homes Ltd., contracting to pay for the shares over a period of years. This July the company did not pay dividends and as I still have a substantial amount to pay on my shares I am wondering whether I should continue to make payments when business is so bad. What is the position of this company?

Western Homes Ltd., has been in operation some 19 years. The company has expanded chiefly through issue of new stock on a deferred payment plan such as you have undertaken and has invested its money in mortgage loans of which approximately 71 per cent are loans on city property and 29 per cent loans on farm properties. The company has little invested in liquid assets and must depend for its income on the repayment of loans made by it on security of mortgages and on regular payment of interest.

The mortgage situation throughout Canada and particularly in the Prairie Provinces is extremely difficult this year and while the president of Western Homes does not state the amount of interest and principal payments in arrears, a study of the financial statement shows that during 1932 the value of improved farm lands and city homes acquired through foreclosure increased to $303,669 from $198,362 at the end of 1931.

Gross revenue in 1932 was $104,788 a reduction of $10,367 from the 1931 total. This reduction was accounted for by the fact that there was a small loss in the management of foreclosed property but largely due to the fact that interest collected on farm loans was far below the average of the previous years. The operating loss on real estate cannot be recovered but the interest in arrears may be paid when conditions improve and if it is not paid the company may foreclose on the property. There is no reason to believe that conditions in 1933 are better or even as good as they were in 1932 and it is not surprising, therefore, that the company failed to pay preferred dividends in July.

We cannot say how long it will be before the company will experience an improvement in income that will warrant resumption of preferred dividends. You have contracted to pay a considerable sum annually, plus interest, over a period of years and only a lawyer could advise you as to your position if you decided to stop making future payments.

Loblaw Groceterias

What is your opinion of the class A stock of Loblaw Groceterias Ltd. as an investment if purchased at $16 per share?

Earnings of Loblaw Groceterias Co. have been exceedingly stable over the last few years and while gross sales have dropped from $18,435,000 in the year ended May 31, 1930, to $14,219,000 in the year ended May 31, 1933, net profit on operations has dropped from $1,088,022 to $987,852. Dividends on both class A and class B shares have been paid regularly at the rate of 80 cents per share a year and in addition a bonus of 20 cents a share was paid in December, 1932. Surplus of the company has been increased each year and working capital position is strong with a substantial proportion of current assets in either cash or readily available funds.

In view of this record over a period when most industries have been hard hit it is reasonable to expect that the company can continue to earn and pay its current dividends. Stock of the company is generally considered to have considerable investment merit and returns a yield of 5 per cent on the basis of annual dividends of 80 cents a share and a price of $16. The class A stock is entitled to cumulative preferred dividends to the extent of 50 cents per share per year after which the class B shares receive 50 cents and the two classes of stock participate equally on a share for share basis in any further distribution. The class A shares are redeemable at $50 per share and in the past two fiscal years some 12,800 shares have been bought by the company in the open market. As class A shares are retired in this way, the position of the shares remaining outstanding becomes so much the stronger. As at May 31, 1933, the class A shares had an equity of $12.27 per share in the assets of the company. There are 454,726 shares of class A stock and 383,300 shares of class B stock outstanding. At present prices of around $16 the class A shares are selling higher than at any time since 1930. All-time high for the class A stock was $24.75 attained in 1929.

C. P. and P. Trust

I hold a Canadian Power and Paper investment bond which defaulted its interest payments on the first of August last. Would be glad to know if you expect these bonds to go up again in future and be able to pay their interest.

Outlook for your Canadian Power and Paper investment debentures is not very promising. The company's securities have depreciated sharply in value and, moreover, there are heavy bank loans to be liquidated. By the time these loans are liquidated, there will not be a great deal left for the debenture holders unless there is a marked improvement in the market value of the company's holdings. A resumption of interest payments is unlikely for some time. We understand that the management is giving consideration to effecting a plan for improving the company's position. Nothing definite has been done but it is possible that an announcement will be forthcoming shortly.

Shawinigan

I purchased a Shawinigan bond near par and hold 50 shares of the company's common stock, bought at 41. Would you be good enough to let me have your opinion on the current position of this company?

Shawinigan Water and Power Co. sales have been on a larger scale this year, but net income has not shown any marked improvement. The market value of this company's securities has been depressed owing to close association with the newsprint industry.

Last year Shawinigan's earnings were affected by having to pay a heavy premium on the purchase of United States funds to take care of interesting requirements. The outlay in this connection is estimated at approximately 50 cents a share on the common stock. The premium paid this year has been considerably less and as earnings have held up reasonably well, the financial statement for 1933 is expected to make as good reading as that for 1932.

While the current value of Shawinigan bonds and common stock is well under what you paid for them, we would point out that the company is inherently sound, has a splendid management, and even under conditions far worse than at present, could earn its bond interest. It would not need any marked change in the situation for the company to reestablish substantial earnings on its common stock.

Western Grain

I hold 6½ per cent preferred stock of Western Grain Co., Ltd.

As a long term outlook does this stock appear to have some chance of returning to the dividend paying class?

Unforeseeable changes in the next two or three years will be very important in deciding or indicating the chances of future recovery of Western Grain Company 6½% preferred stock. The company has had a checkered earning period ever since 1929, when it showed $26.56 a share earned on the preference stock. It earned nothing in 1930, $8.12 a share in 1931 and nothing in the year ended July 31, 1932.

Working capital is much lower than in 1929, but on the whole has been fairly well maintained during the last three years. The major part of the current assets of $2,073,621, however, consists of grain estimated at $1,872,320, an increase over the previous year. These larger holdings of grain were responsible for the secured bank loans increasing from $679,000 to $1,360,000 as compared with no bank loan before those two years from 1928 on. In September the annual report may show a change in these items.

The low earnings are due not only to the greatly disturbed position of the grain trade at present, but due as well to the extremely light crop of 1931-1932 and the small volume of business handled in consequence. A good crop was generally harvested in all three western provinces in 1932 but this did not have a full effect upon the company's current position because unfortunately there was a partial failure in a large part of the south central area of Saskatchewan where a number of the company's elevators are located.

If the company can continue to stem the tide during the adverse period there is always the prospect that it may, in one or more good years in the future, make up for the bad experience now. Lower crops this year mean less storage money earned, but handling increases may help to make up for this to some extent.

B. C. Pulp

I hold a $1,000 first mortgage British Columbia Pulp and Paper 6 per cent bond due 1950. This company did not pay any interest on these bonds on May 1, 1933. Could you supply me with some information regarding same? And why the interest was not paid? When will the company resume interest payments on the bonds?

At a meeting of the bondholders of British Columbia Pulp and Paper Co., held on May 26 last, approval was given to a resolution authorizing postponement of the first mortgage bond interest due in 1933 and 1934, together with the cancellation of sinking fund payments due 1932, 1933 and 1934. The company has undertaken to pay bond interest providing income warrants such a step, otherwise the payments will be deferred.

Inability of the company to meet its interest payments is due to the decline in earning power caused by shrinkage in operations and unsettlement in foreign exchange. In asking authority from the bondholders to defer interest and sinking fund payments, the company did this as a precautionary measure. While B. C. Pulp is in good liquid position, it does most of its business with customers in Japan and exchange difficulties have caused the company to prepare for any contingency.

At this time it is not possible for us to hazard any reasonable guess as to when the company will resume interest payments.

Ventures Ltd.

Do you consider Ventures Ltd. a good investment? What progress has it made and how is its financial position?

Ventures Ltd. is, as the name implies, a venture in widespread mining exploration in Canada, which to date has not proven profitable for shareholders. The company holds a great many stocks of its affiliated interests but is running short of money. Hoped-for appreciation in the shares, rather than more dividends is responsible for present interest but one cannot be stable without the other.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Moffatt-Hall Mines

What are the prospects of Moffatt-Hall Mines? What are its principal assets and has it any money? Is any work being done at its old Kirkland Lake property?

The purchase of Moffatt-Hall shares at any price can only be justified as an outside speculation in a company that has not met with success in the past. Its Kirkland Lake claims did not demonstrate importance up to time the New York financiers dropped out of the picture. Its shares have been subjected to market fluctuation as various financing programmes were undertaken.

Interest in the company is principally centred about its undeveloped claims in Quebec, whose importance only a well-financed and well-directed campaign of development will determine. The company has no money to conduct a conclusive programme.

Cariboo Gold Quartz

What is the present status of Cariboo Gold Quartz Mining Co.? I understand that funds have been secured with which to build a 500-ton mill. Have the ore developments been such as to justify operations of this size?

Cariboo Gold Quartz Mining Co. has been pioneering the development of the lode mining potentialities of the Cariboo district, one of the world's great placer camps discovered in the early sixties. In the face of great opposition from the mining fraternity it finally succeeded in raising funds to build a small mill, which has been in operation since early this year. The total value of the production to date has been about $140,000. It is too early to appraise the big mine-making importance of the undertaking as developments have not been carried to the point where ore has been blocked out to a point justifying the construction of the 500-ton mill announced, which was financed in England this spring. Ore developments are said to be of a most encouraging nature, but no official statement has been given as to the possible ore reserves or an assay plan of developments issued that would guide investors. It is understood that the returns from initial production have been sufficient to pay all operating expenses.

Moss Gold Mines

What is the outlook for Moss Gold Mines? Has the property made a profit from initial operations?

The attempt to rehabilitate Moss Gold Mines did not live up to expectations of its sponsor, Norman R. Fisher, and a loss from operations was incurred. The company was recently reorganized and a change in management made. Whether the present management and reorganization will meet with more success than the earlier operations, only further development and production will tell.

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The development of the Sudbury ore deposits has carried with it extensive developments and economic benefits in many other directions throughout Canada.

Many new industries have been brought into being, others have been enlarged and extended, as a result of International Nickel's operations.

Among these are the Ontario Refining Company at Copper Cliff, one of the largest and most modern copper refineries in the world; the Canadian Industries plant for the production of sulphuric acid and other related products recovered as a result of the smelting of the Sudbury Ores; and the Horseshoe Lake Mining Company producing sodium sulphate at Ormiston, Sask.

These and other industries afford greater opportunity for Canadian workmen and produce new wealth which finds it way into all parts of Canada.

The greater use of Nickel and Monel Metal in Canada and throughout the world means a greater measure of prosperity for Canada . . . Use these metals wherever you can.

INCO MONEL METAL — THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED — INCO NICKEL

1883 [The 50th Anniversary of Canada's Nickel Industry is being celebrated this year.] 1933

"The Story of Nickel", an interesting booklet dealing with the history and development of Nickel, may be had without charge by writing to the Company at 25 King Street West, Toronto

WHAT will YOU wish for most *at* 60 *or* 65?

YOU will want to be financially independent . . . to know that, come what will, good or ill, you will have sufficient money to live on in your declining years.

The one certain way to be sure of this is to invest part of your present earnings in a Confederation Life Endowment Policy or Pension Bond.

If you are well-to-do at 60 or 65, the extra money will be useful, anyway. But, if you are not so prosperous, then the Pension Bond or Endowment Policy, payable in a lump sum or as a Monthly Income for Life, will be a blessing. The vital thing is that, no matter what happens, you will have financial independence. Think of how many old people you know whose evening of life is happier because they are *financially independent*.

Another advantage of these policies is that, if you become totally disabled, due to accident or disease, it can be so arranged that your premiums will be waived and you will receive a monthly cheque to replace, in part, your earned income. Write for particulars. Use the coupon below.

Confederation Life Association,
Toronto, Canada.
Please send me particulars of your Endowment Policies, with Total Disability Benefits.
Name..
Address..
Date of Birth..................*Occupation*..................

Confederation Life Association
Head Office Toronto

American Life Convention in Chicago, October 10

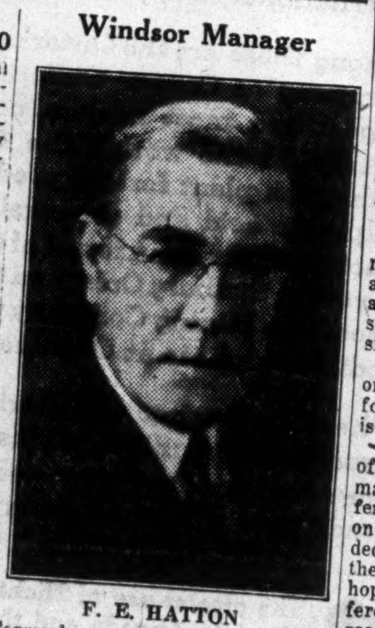
Annual meeting of the financial section of the American Life Convention will be held at the Edgewater Beach Hotel, Chicago, on Tuesday October 10, it is announced by C. S. MacDonald of the Confederation Life Association, Toronto, chairman of the section.

Morning and afternoon sessions will be held on October 10, subjects of addresses being "United States Investment Development," "State and Municipal Taxes," "Municipal Bonds" and "Mortgage Loan Agent Problems."

A. E. Pequegnat, assistant general manager, The Mutual Life Assurance Company, Waterloo, will speak on "Municipal and Corporate Finance."

The legal section of the American Life Convention will hold its annual meeting on October 9 and 10. Main body of the convention will hold its annual meeting on October 11, 12 and 13. Annual meeting of the agency section will be held October 13. All meetings are at the Edgewater Beach Hotel.

Windsor Manager



F. E. HATTON
Formerly manager of Montreal Tower branch for the North American Life Assurance Co., who has been made manager at Windsor, Ont.

Insurance Inklings

Great-West Life during July and August, held an inter-agency contest, winning managers to attend the National Convention of Life Underwriters at Chicago, September 26-28. C. F. DUNFEE, C.L.U., manager, Vancouver; PAUL GIRARD, manager Montreal country branch, and J. R. NICOLSON, C.L.U., manager, Victoria, headed their respective groups and will be the company's delegates to the convention.

Licenses Issued

Mill Owners Mutual Fire Insurance Co. of Iowa has been licensed to insure against loss of, or damage to, property other than growing crops by hail, in addition to the classes for which it is already registered.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

WOULD REMEDY FREE INSURANCE, POLICY LAPSES

Provincial Superintendents to Investigate Problems of Companies

ELECT MARITIMERS

Cash Surrenders Biggest Problem of Life Companies—Slow Premium Payment is Casualty Evil

Policy lapses and allied problems in life insurance and the credit and free insurance evil were the two feature topics of discussion at the recent annual conference of the Association of Superintendents of Insurance of the Provinces of Canada at Toronto. J. G. Parker, actuary of the Imperial Life Assurance Co. of Canada, surveyed the problem of life policy lapses, and Henry Brace, Edmonton, was the sponsor of a paper on "Credit and the Free Insurance Evil."

Mr. Parker pointed out that policyholders, companies and agents all lose by lapses of life policies. Hence companies have urged education: (1) Of agents to sell and serve intelligently; (2) of policyholders to realize the value of protection; (3) of agents to select the class of policyholder in which there is least danger of lapses.

Cash Surrenders

Surrender of policies for their cash values is "the greatest problem which the companies have had to face," said Mr. Parker.

Policy and premium loans are two of the causes of surrenders, it was stated, the dangers of which might be reduced.

". . . Some of the surrenders would have been prevented had there been a sufficiently large surrender charge to make the policyholder realize that he was forfeiting some value by completing the surrender."

Superintendents Dugal, Hartley and Heath were appointed to consider this whole question and to report in 1934.

Fire Insurance Evil

The free insurance evil among indemnity risks consists of slow or non-payment for policies by agents or the insured parties. Under present legislation, agents may delay payment of premiums to the insurer. Insured persons may delay in paying premiums to agents.

Mr. Brace's proposal to remedy this condition:

"I cannot see why, if it is impossible to otherwise curb the evil, legislation would prove objectionable effecting automatic cancellation of fire and other forms of policies at the expiration of a certain limited period, for non-payment of the premium by the assured and, if it is sound practice to require life insurance agents to be bonded, there should be no reasonable cause for objection in requiring all agents to be bonded."

Superintendents Dugal and Foster were appointed to consider Mr. Brace's report with companies' and agents' representatives. Each superintendent was invited to gather what data on the matter he deemed desirable.

Committee Reports

Report of the committee on life insurance legislation resulted in progress being acknowledged. A final decision on proposed amendments being considered impossible, action was postponed until the 1934 conference. No statutory amendments regarding life insurance will be recommended for enactment for the next 12 months.

The conference was unanimous that the valuation basis for farm buildings, in proposed Manitoba legislation, as outlined in the report of the committee on fire insurance legislation, was not in the public interest.

Proposed amendment to the Partial Payment of Loss clause in the Uniform Fire Insurance Act to enable a policy to be issued whereunder "The insurer shall be liable only for a specified proportion of any loss but shall be liable for a further percentage of the loss after certain stipulations or agreements contained in the policy are fulfilled by the insured" was approved. No action was taken with respect to other proposed amendments to the Uniform Acts, these being referred back to the committee for further consideration and report to the 1934 conference.

Other Reports Approved

Report of the committee on automobile insurance legislation was adopted after a brief discussion. No amendments to the new uniform statutes were proposed or considered.

Work of the standing committee on automobile insurance standard forms received commendation and is to be continued.

The definition and interpretation of underwriting powers of fire, marine and casualty companies referred to in the committee report on uniform definitions resulted in a decision to leave the matter with the underwriters' committees in the hope that prior to the next conference an agreement might be reached which would receive the approval of the conference and statutory approval.

Reports of other committees were adopted and action recommended approved.

Election of Officers

Election of officers resulted in Ralph P. Hartley, K.C., deputy attorney-general and superintendent of insurance, New Brunswick, becoming president; H. R. Stewart, superintendent of insurance, Prince Edward Island, vice-president; R. Leighton Foster, K.C., superintendent of insurance, Ontario, secretary-treasurer.

Life Managers of Kingston Elect Officers for 1933-34

Kingston Life Managers' Association recently elected C. H. Rooke of the Canada Life Assurance Co. president for 1933-34 at a meeting in Kingston. Wilfrid Pocklington, Confederation Life Assurance Co., was elected secretary-treasurer.

Retiring officers were M. G. Johnston, Manufacturers' Life Assurance Co., and F. R. Brooks, London Life Insurance Co., formerly president and secretary-treasurer respectively.

Argument For Personal Rather Than Business Insurance Withers Under Analysis—Inexperienced Heirs Relieved of Business Burden

By R. M. HAULTAIN
The London Life Insurance Co.
Sixth of a Series of Articles on "Business Insurance"

John Harrington and his business partner had an argument. The partner said they should have an agreement between them that the survivor would buy the business of the other if the first to die. Harrington said he could not see why, but would think it through.

He had a talk with his financial adviser Harkness. He told Harkness that his partner wanted an agreement of this nature but that he, Harrington, was not in favor of the idea for this reason:

"My partner and I each have a 50 per cent interest in our firm, each interest having a net worth of $20,000. If I have an agreement with my partner to sell him my interest if I die and to buy his if he dies it means my having $20,000 insurance on his life and his having the same on mine to finance the agreement. I do not see any other workable method of financing it.

Objection Raised

"My objection is this: It seems to me that my wife would be better off if I had $20,000 personal insurance on my own life payable to her. Then if I died she would have the $20,000 as well as the half interest in the business. On the other hand, if the $20,000 insurance policy is made payable to my partner to enable him to buy my interest, my wife then gets only the $20,000 and no interest in the business."

Harkness told Harrington that he had brought up what appeared on the surface to be a strong argument for personal insurance entirely, instead of any business insurance and that he wanted to think it through before giving an opinion.

They arranged to meet at lunch a few days later.

In the meantime Harkness did some organized thinking with a pencil. He wanted to find out why it is that business insurance agreements financing the purchase of the interest of a deceased partner by the survivor are in general use in spite of Harrington's seemingly logical objection.

Broader View

He finally gave Harrington the following brief:

"The other day our thought went only about one third of the way. We discussed selling your interest to your partner in the event of your death but we did not examine the situation that you would be confronted with tomorrow if you were informed in the morning that your partner was dead.

"(A) If you had no agreement to acquire his interest.

"His wife would then have an equal voice with you in the management of your firm. She might decide to take her husband's place personally. Anyway she would make jolly sure that you never increased your own salary unless she was satisfied with her dividends. You would be kept pretty busy explaining to her and her relatives why the business was not able to pay the dividends they wanted. If she were hard up you would probably be influenced to pay her dividends when it was dangerous for the business to do so.

"Your bank and the credit men in your supply houses extend you credit now because you and your partner are regarded as a well-balanced profit-earning team, pulling together. If your partner were removed you would be pressed immediately for settlement of loans and outstanding accounts just at the time when you needed credit more than ever.

"Your bank and supply houses know from past experience that a business usually peters out when caught in this situation by the death of a partner and affected by such influences. Consequently your credit would evaporate immediately on the announcement of your partner's death. Men who have not been through it cannot realize how crippling this pressure is at such a time.

Alternative Courses

"There would be just about four feasible courses of action open to you.

"(1) You might carry on with your partner's wife.

"It would take her a long time to learn the business. During the period when she was learning her husband's job you would have to support her and her family as well as your own. Would you be satisfied to do that?

"(2) You might buy her out.

"If you could not pay cash you might give her part cash and your personal notes for the balance. But could you make her see that under the new conditions of restricted credit her interest would not be worth what it was when her husband was active? She would probably be advised to hold out for full value on the old basis. Even if you could get her to sell at a reasonable figure could you raise the cash? Twenty thousand dollars of borrowed money at seven per cent would mean $1,400 a year interest as well as principal repayments. The bank and the firm's creditors would have to be satisfied first.

"(3) You might liquidate or sell the business and divide the money with her.

"But what percentage of value does such a procedure usually bring? And you would have liquidated your livelihood.

"(4) You might find some suitable man with capital who would buy out her interest, put in sufficient money to meet the sudden demands of the creditors and bolster up the impaired credit.

"But would he be satisfied to do this without insisting on controlling the business himself? Could the right man be found as quickly as he would be needed?

Unsatisfactory Position

"Your partnership was not built overnight. It was welded by your disappointments and vitalized by your successes. You cannot expect to find a man who will immediately fill the gap caused by the loss of your seasoned partner.

"Then again if you died first your wife would be subjected to all the worry of the situation in which your partner's wife has found herself as outlined above. She would probably end up by salvaging very little out of her business interest. She might be tempted to put her life insurance capital into the business in an effort to save her interest and might quite conceivably lose the whole thing.

"(B) if you had an agreement financed by life insurance to buy your partner's interest.

"(1) Your bank and creditors would be more complacent over your prospects as soon as they knew that you had paid cash for his interest and would not be hampered by outside interests in your conduct of the business.

"(2) You would be relieved of the strain and the almost certain dissension brought about by any one of the four courses of action outlined above.

"(3) You would be free to devote your time to your business instead of negotiating endlessly with your partner's wife, her representatives or relatives. All that would be taken care of in the agreement.

"To sum up, if your partner should be the first to go you would be in a bad way without a business insurance agreement. Your objection, in the light of analysis, holds good only if you die first and only if you are thinking of the size of your estate to the exclusion of well-balanced arrangements.

"So it appears quite obvious that personal insurance does not displace the need for a business insurance agreement to buy each other's interest if you wish to relieve your wife of worry as well as consider your partner, his wife, and your employees' jobs."

LARGE BUSINESS IS DONE IN SAVINGS CERTIFICATES

(Continued from page 11)

are funded for more than 60 per cent of a conservative valuation. All loans are on the amortization plan requiring monthly pay-off on principal thus bringing about a steady reduction in the ratio of loan to property value.

Delinquencies Low

Officers report that there is a low proportion of delinquencies and foreclosures. They also report that where real estate is taken over the resultant sale quite often produces a small profit and it is quite unusual for the company to realize less than 90 per cent on its mortgage investment. The great majority of home owners, it is stated, continued to pay through the depression and repossessed properties are gradually finding their way into the hands of new owners. Last statement showed company's real estate at nearly $5,000,000.

The company has stated that it holds in Canada more assets than its liabilities. In Ontario deposit with a trust company is reported for more than its liabilities under the contracts written and in other provinces different arrangements are made to satisfy the usual requirements of security commissioners that all liabilities can be met when required.

This company's actuarial, investment, inspection, loaning and other arrangements have apparently been well looked after so far as the organization itself is concerned. All the provinces, however, have apparently not yet thought out their full responsibilities for this type of business in view of its growing importance and appeal to savers.

Investors' Syndicate gives more frequent reports on its financial position than any other company but these reports relate to all its affairs as a whole. Canadians are mainly concerned with investments held in Canada to cover liabilities here and it would be a welcome addition to the information already given its certificate holders and the general public, if statements from time to time told of securities held by classes and provinces and liabilities by provinces as well. It would be better still if all this business from coast to coast was under uniform regulations and independent audit, but that is outside the company's jurisdiction. This is not meant to throw any doubt on the company's financial stability but a system of check and countercheck for the protection of savings of citizens must apply to the strongest as well as to the weaker companies if it is to be efficient.

Western Savings Strong

Western Savings & Loan Association statement of condition as of June 30 1933, shows total assets of $429,716 whereas the liabilities to certificate holders with interest to July 15, 1933, were $315,399. On this statement there was a surplus of $114,317 in favor of certificate holders. First mortgages, less reserve of $3,966, amounted to $270,427, and Dominion of Canada bonds to $101,481. These were the two most considerable assets but loans on certificates were $10,441, cash was $17,458 and cash for bond purchase account showed an additional amount of $29,914 in the bank.

The Association operates under the direct supervision of the Municipal and Utility Board of the Province of Manitoba. Under this supervision the Association's investments are restricted to bonds issued or guaranteed by the Dominion Government and first mortgages on city and town properties. The Association's books and accounts are audited monthly by a chartered accountant appointed by the board and the report is filed with the board monthly. The board acts as custodian and trustee for the Association: it has custody of all securities which are required to be at least 110 per cent of the Association's liabilities to its certificate holders. The Association informs us that the actual deposit in August was 130 per cent and it is being maintained at this point. Employees work under surety bonds and directors are prohibited from borrowing directly or indirectly from the Association.

Is Closely Supervised

It is apparent that this Association has the advantage of being very closely supervised and its statement shows a highly liquid position. The only question which arises in one's mind is concerning the value of the first mortgages in a time when moratoria are so prevalent and when so many people are finding difficulty in meeting their debts because of unemployment or business losses of one kind or another. The Association informs The Financial Post, in answer to enquiries on this point, that all mortgages are on city and town properties only, no farm mortgages being held. With one or two exceptions mortgages are on homes occupied by the owners. All mortgages are repayable on the monthly repayment plan, thus causing a monthly reduction of the principal outstanding.

The amount of mortgages shown on June 30, The Financial Post is told, represents the remaining portion of $500,000 loaned altogether by the Association. No mortgage is made for more than 50 per cent of the conservative appraised value and the average loan has been less than 30 per cent of the company's valuation at the time the loan was made. Practically 90 per cent of the mortgages have been made since 1929 and therefore in full view of whatever effect the depression might have on business. Each borrower has been required to maintain a savings certificate as collateral to his mortgage and in 90 per cent of the loans since 1929 life insurance security was insisted on by the loan board of the Association. From all of these sources the company would have available cash, in the event of default of the mortgagees, of $75,000 against the total balance of $270,000 outstanding on June 30. Interest receipts, however, had proved normal during the depression because of the conservative policy followed.

Depression Experience Good

There is debt adjustment legislation in the three Western provinces. In Alberta nearly all mortgages have been made since the date of application of this legislation. In Saskatchewan the Association reports that its mortgages are so well secured by collateral that with 4 exceptions there had been no appeal to the Debt Adjustment Board. In Manitoba the Debt Adjustment Board has so far directed the debtor to pay what the Association would have been willing to accept in any event under the circumstances of each case. In other words, there has been fair play.

In answer to questions about the company's ability to pay 6 per cent on outstanding certificates an officer of the company writes The Financial Post that in conformity with the trend of the times the rate on future certificates is being reduced from 6 to 5½ per cent. He points out, however, that in 1931 earnings of the Association were 180 per cent of the amount required to pay 6 per cent and to provide what is termed "maturity reserve." In 1932 earnings were 170 per cent and in the first half of 1933 210 per cent of the amount required and there was a profit of another 70 per cent on sale of some Dominion of Canada bonds.

Costs of overhead and management were reported for the first half of 1933 at less than one-tenth of the gross profit for the half year. In October, 1929, the Association's total mortgages were only $54,000 and that was a great aid in meeting the depression. Losses on mortgages to date are reported to have been only $34. The average loan is less than $1,000 and officers claim that the installment certificates are "scientifically calculated" and that every possible contingency is "covered actuarially."

Champion-Simmons Born 1929

The Financial Post has not been able to get a financial statement from Champion-Simmons Investment Company on which to base an opinion regarding its current financial position. Without a very full disclosure of the company's financial position and of the measures taken by the province to inspect its securities and to make sure for all time that its assets shall be ample to take care of liabilities under its contracts, an individual would not be taking all the proper precautions before entering into a contract with the company.

In order to pay interest at the rate of 5½ per cent and in addition to cover operating costs and provide a profit on capital, the company must confine its investments largely to mortgages and the company's continued ability to pay the interest depends very largely upon the skill of the management in selecting first grade risks in which there will be a minimum of loss. The mortgage situation in Saskatchewan, as well as throughout Western Canada, is far from satisfactory at the present time but we are not aware as to how the company's mortgage investments have been affected, presumably the company has been investing more in Government and provincial bonds than in mortgages during the last year.

The company was organized in December, 1929, to issue and sell 10-year accumulative installment certificates. It stated as an additional feature that arrangements had been made with Montreal Life Insurance Co. to issue ten-year term insurance for the life of the certificate at a small additional cost to the investor. Under the Security Frauds Prevention Act the company is required to keep 110 per cent of the liability to certificate holders in securities deposited with a trust company. Reports as to certificate liability and as to the securities on deposit are made periodically or at the request of the Securities Frauds Department. The company is a Canadian one.

Inter-Mountain is Now Canadian

The Inter-Mountain Building & Loan Association of Canada was formed by buying out the Inter-Mountain Association of Utah's business in British Columbia and the assets of the Guaranty Savings & Loan Association. In June, 1930, the company reported assets of more than $400,000 invested in British Columbia first mortgages and Government bonds. At that time The Financial Post was informed that the British Columbia inspector for trust companies was inspector of the Association.

On September 1, 1932, R. Bruce Abel, president of Inter-Mountain Building & Loan Association was reported in a British Columbia paper as stating that the Association had $500,000 invested in British Columbia. He stated that all funds were secured by conservative first mortgages on improved real estate, principally on modern homes in the province. Loans are repayable on a monthly basis and limit of mortgage is 50 per cent of valuation. It is the largest institution of the kind operating under the Savings and Loan Associations Act of British Columbia. The company has been reported recently as also selling certificates in Alberta. No later information has been made available to The Financial Post.

Consumers' Finance Starts

Consumers' Finance, Ltd., Ottawa, started in the business of selling savings installment certificates in January, 1933. Sales of contracts so far have been in Ontario.

The company has taken one excellent measure to provide certificate holders with adequate protection. In addition to the company auditors it appointed A. A. Crawley & Co., chartered accountants, as auditors on behalf of the certificate holders. This is a firm of chartered accountants of excellent reputation and it is understood that the Securities Commissioner is kept advised of the progress and position of the company by quarterly reports audited by this firm. It is understood that any certificate holder may obtain from this firm of auditors information as to the liability of the company on its outstanding certificates and the security held in the hands of the depository for their protection.

The name of this company draws from the fact that the officers (well-known citizens of Ottawa and Hull) some years ago under this name organized a company to finance the purchase of various articles by installments. Success was reported for the year ended March 31, 1933. Total assets were then $64,555 of which current assets made up $60,608, including contracts and investments. Current liabilities were $3,229, including bank loans and deferred liabilities (dealers' reserves) $10,489. The company's policy of segregating data concerning savings installment certificates is one definitely favorable to holders of certificates.

Officers of some of the companies referred to above have said privately that they would welcome the same kind of federal supervision as is given to trust and loan companies.

5% Instalment Savings Certificates
Under our plan as low as $2.52 per month will provide $1,000 in 240 months.
CONSUMERS FINANCE LIMITED
Head Office OTTAWA 159 Bay St. TORONTO

THE WESTERN EMPIRE
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON CALGARY EDMONTON VANCOUVER

THE ONTARIO EQUITABLE
PROTECTION
LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE WATERLOO ONT.
The satisfaction policyholders have in their contracts with this Company offers the basis of opportunity for its representatives. Assets exceed $8,200,000.

Established 1869
Strength • Stability •
Assurances in Force (Dec. 31, 1932)..$517,967,974.00
Assets $132,198,392.72
Surplus Funds and Contingency Reserves, $11,853,105.72 •
A Purely Mutual Company
Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE — WATERLOO, ONT.

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE WATERLOO, ONTARIO

WE CAN'T ALL BE MILLIONAIRES—
but we can all provide for our future

MONARCH LIFE ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY
Special Reserves and Surplus
OVER ONE MILLION DOLLARS
Offices in Principal Canadian Cities

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
HEAD OFFICE FOR CANADA HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $6,616,449.70
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30%

A Threefold Benefit
DURING the entire 49 years since its inception, this Company's sound insurance service has included full protection, dependable security and prompt settlement of claims.
Reinsurance effected through Lloyds of London, England.
A deposit is maintained with the Federal Government.
Fire - Automobile - Burglary - Windstorm - Plate Glass - Sprinkler Leakage
PORTAGE MUTUAL INSURANCE CO. Est. 1884
The PORTAGE LA PRAIRIE Mutual Insurance Company
Portage la Prairie, Man.
TORONTO VANCOUVER EDMONTON MONTREAL

Bank Chat on Current Topics

No Divine Inspiration

THE Royal Commission on Banking and Currency has now traversed Canada and returns to Ottawa to hear the rebuttals of the banks, to consider the 3,000 odd pages of evidence presented in public hearings and the volume of briefs and basic material presented to it by almost every type of organization in Canada. Lord Macmillan and Sir Charles Addis will return within a few weeks to England but before they go most of the sifting and sorting will have been accomplished. The writing of the commission's report will, in itself, be no light task and the final report may not be ready before December.

The publication of this report will be awaited with intense interest. Not only will its findings influence banking legislation that will govern banking practices during at least the next ten years but it will undoubtedly contain other material of value to bankers, business men and all students of economics. A great deal of ignorance regarding the elementary principles of sound banking has been displayed by many witnesses before the commission and if the report can reduce the extent of this ignorance it will have served a useful purpose. On the other hand, the evidence given before the commission indicates many ways in which the banks can improve their relations with the public.

One thing that cannot be expected of the report is that it will lead Canada out of the slough of depression immediately. The commissioners make no claim to divine inspiration; their findings will be no cure-all for economic disease. They may prescribe treatments to alleviate the disease but the patient must give the fullest co-operation and not expect an immediate cure. The effects of the disease of economic depression are too deep seated to be eradicated within a brief time. There is reason to believe that the commissioners, particularly Lord Macmillan and Sir Charles Addis, are more concerned with the future than with the present. Their chief recommendations will affect the long term picture of Canadian banking, while some attention will also be given to pressing problems of the present.

* * *

Well Worth the Cost

COMPARATIVELY little has been said as to the expense incurred by the Royal Commission and this is as it should be for there is no evidence of waste of public moneys. There has been no indication as yet of the cost of the commission to the people of Canada but some thoughtless criticism has arisen at the sight of four special coaches travelling across Canada. Two of these cars as a matter of fact, were donated rent free by the C. P. R., one being President Beatty's private car.

The commissioners are serving without remuneration other than their expenses and in view of the ability of the members of the commission this is a substantial donation. In all there are some 21 members in the official party; the five members of the commission, the wives of the two British members, the secretarial staff and the reporting staff. Since August 8, when the commission held its first public hearing in Ottawa, the commission has travelled west to Victoria, back across Canada to the Maritimes, then to Toronto and back to Ottawa; there have been 20 days of hearings in 14 cities. The strain upon the members of the commission and upon their staff has been great and little time has been available for rest. For over a month their home has been on trains and four cars, of which one was entirely taken up by the reporting staff, gave little enough space for rest and reflection.

The report of the commission is generally expected to have considerable value to the Canadian people, a value that cannot altogether be figured in dollars and cents.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

FLETCHER KERR, manager at St. Clair and Yonge, Toronto, has been appointed inspector attached to the superintendent's department, Halifax, N.S.

C. J. LOUGHLIN, manager at Devon, N.B., becomes manager at Campbellton, N.B.

W. D. MORTON, formerly manager at North Sydney, N.S., succeeds C. J. Loughlin as manager at Devon, N.B.

A. H. RUSSELL, manager at Uppertown, Sherbrooke, Que., has been appointed manager at Magog, Que.

C. J. MOREAU, manager at Campbellton, N.B., has been appointed manager at Uppertown, Sherbrooke, Que.

W. J. DILLON, accountant at Oshawa, has been appointed manager at King and Dufferin branch, Toronto.

H. J. FUKE, accountant at Timmins, Ont., has been appointed accountant at Oshawa, Ont.

J. POGUE, manager at King and Dufferin, Toronto, has been appointed manager at St. Clair and Yonge, Toronto.

The Royal Bank lost two managers in the foreign service during August through death. H. C. F. FRASER, manager at Rio de Janeiro branch, died on August 21 and R. E. FOX, manager at the Nassua branch died on August 29.

Branch Changes

The Canadian Bank of Commerce office at Coalhurst, Alta., sub-agency of Lethbridge branch, will be open for business on Thursday of each week and also on the 8th and 23rd of each month when these dates do not fall on Thursday.

Two sub branches were opened by Canadian banks during July bringing the total of bank branches in Canada to 3,688 and the grand total to 3,847 which includes 25 branches in Newfoundland and 134 branches elsewhere.

The sub branches opened are at Laurier Station, P.Q., and Paradise Valley, Alberta, the first opened by the Banque Provincial du Canada and the Bank of Montreal.

Current Events in Banking World

Banking Commission Hearings Near End Banks Will Be Heard

Ontario Evidence Favors Central Bank; Quebec Witnesses Chiefly Opposed; Prof. T. E. Gregory Appears Before Commission in Toronto

The Royal Commission on Banking and Currency has yet to hear the banks' ideas regarding a central bank and the banks' attitude with regard to the problems presented to the Commission in its hearings across Canada but these views will be presented at the final hearings currently taking place in Ottawa where it is expected to conclude the taking of evidence in public by September 18 or 19. How long it will take to sift the evidence received, to arrive at conclusions and prepare the final report cannot be determined at the present time but it is expected that the final report will be available by December.

Two days were spent by the commission in Montreal but the evidence presented was much less voluminous than was expected. Toronto hearings took up two and a half days and included a great deal of technical evidence. There appeared before the commission, Professor T. E. Gregory of the University of London who favored a central bank for Canada to govern credit conditions within the country during the difficult period that he felt would follow the years of depression. As an exporting country Canada is dependent upon world prices. Internal expansion has been ahead of immediate requirements and the population could double without any great additional outlay for public services. The Finance Act is a temporary expedient only and cannot replace a central bank permanently.

Would Stop Sale of Bonds

From Queen's University came professors W. A. Mackintosh, C. A. Curtis and F. A. Knox while A. J. Glazebrook, special lecturer in banking at the University of Toronto, and Mr. Parkinson from the same university also appeared. All favored a central bank for Canada and discussed at some length the technicalities involved in controlling credit and exchange. A summary of the views expressed by these witnesses will appear in the next issue of The Financial Post.

Ward C. Pitfield, president of the Investment Bankers Association of Canada objected, on behalf of his association, to the banks sponsoring and selling securities. He outlined the efforts of investment bankers to restrict the banks from following these practices but stated that in 1926 some $62,000,000 of securities were so sponsored and sold, $18,000,000 of which went into default. He held that banks should not have their names appear on prospectuses, should not solicit bond business, should not use their branches for the purpose of promoting bond sales and should not join underwriting syndicates except to support investment banking groups forming such syndicates. No objection was made to the taking of orders for government securities but the banks should not advertise themselves as vendors.

Alberta Wants Central Bank

Sitting in Edmonton on August 21, the Royal Commission was addressed by Hon. Geo. Hoadley, acting premier of the province in the absence of Hon. J. R. Brownlee, K.C., a member of the Royal Commission. Hon. Mr. Reid, provincial treasurer, presented the brief of the province and dealt with interest rates, agricultural credit, desirability of the establishment of a central bank, and exchange and monetary policies in relation to export business. It was hoped that the commission would make a comparison of the prevailing rates of interest charged in Western Canada with similar rates charged in the older settled parts of Canada. The government believed that any critical analysis of the relative financial positions of western provinces and municipalities with those of the eastern provinces will show a soundness of financial position in the west that will compare favorably with those of provincial governments and municipalities in eastern Canada. Bringing about an equality of interest rates and charges would be a constructive step which would stimulate a revival of confidence in western Canada. A similar analysis of interest rates charged on agricultural credit in the west and in the east is also asked.

The Alberta government strongly favors the establishment of a central bank as part of the general banking facilities of Canada, such a central bank to have exclusive right of note issue in Canada. The commission is asked to consider the extent to which such a central bank can provide the necessary financial requirements of the Dominion and provincial governments as well as the larger municipalities.

Would Stabilize Exchange

During the current year the four western provinces have to provide $23,470,681 to meet interest and principal on debentures payable optionally in Canada or New York but this is only one important angle of exchange and monetary policies in relation to export business. The finding of export markets for Canadian wheat and other agricultural products is a matter of great importance and unless some bold policy is adopted in the near future the continuance of large surpluses and curtailed market can only result in disaster. On this basis, the Alberta government believes consideration should be given to measures which would fix the value of the Canadian dollar at some definite relationship to the British pound sterling and the currencies of these countries who import our wheat and our products as well as with the currencies of those countries who are competing with Canada on the world market. It is also considered an opportune time to consider the expenditure of money for the carrying out of public undertakings of a productive nature for the relief of unemployment.

H. M. Evans representing the Edmonton Chamber of Commerce, suggested that a larger measure of regional and local economy on the part of the bank might be of value. It was asked whether, in order to meet the depression, Canada has not needed and does it not still need more definite and vigorous money policies? And should not the banks give the lead in such a policy? The chamber wants a policy of much cheaper money which would immediately and directly ease the burdens of governments and indirectly ease the burden of governments and indirectly aid all government financing. Eventually, such a policy would benefit all other classes of borrowers.

Professor Hewetson felt that the greatest defect in the Canadian banking system was the lack of any machinery for regulating the currency and credit for any stability. Greatest hope of bringing trade fluctuations under some measure of control lies in artificial regulation of bank credit with a view to greater stability of the general price level. Control of bank credit might be carried out with the banks themselves acting collectively but the weakness of this arrangement lies chiefly in the inevitable conflict between the general credit policy and its detailed applications. A second possible method of control would be through a board of banking commissioners, appointed by the Dominion government but action through this board is likely to be confined to emergency situations. A third method, which is considered most satisfactory, is the establishment of a central bank with capital provided by the Dominion government. Directors would be appointed by the government for fairly long terms.

Other Canadian banks would be required to keep the bulk of their reserves on deposit in the central bank and this compulsory reserve should be some percentage of the banks' deposits, an amount slightly under that which the banks themselves would be willing to maintain. The central bank would rediscount for other banks and would also have the right to buy and sell securities on the open market. Directors of the central bank might control volume of bank credit by moral suasion, use of the rediscount rate, or use of open market powers. Absolute stability of prices is impossible but a slowly rising or falling price level can do little harm and directors should attempt to prevent the wider swings in prices which alter appreciably the value of money embodied in long term indebtedness. Credit control is strengthened by currency control and it is suggested that the central bank issue its own notes to replace the present Dominion notes. Present bank notes might be left as they are except that the right to increase the note issue by depositing gold in the central gold reserve be abolished. The central bank would not have to undertake commercial business in competition with the chartered banks.

Mayor Knott of Edmonton referred to the heavy burden imposed by the debt of the city and presented a resolution adopted by the city council in 1932, which urged the federal government to assist in "refloating our debt-logged institutions by the issuance of Dominion currency at cost against the bonds of provincial and municipal governments, or other practical means, to such amount as will carry the cost of unemployment relief and make it possible to carry on productive work or necessary improvements." Alderman Gibbs spoke in favor of the Council's resolution.

Would Remain Off Gold Standard

J. Boyd McBride presented a brief on behalf of W. R. Howson, M.L.A., leader of the Liberal party in Alberta. Establishment of a central bank was advocated with the main objects of raising of and stabilization of price levels. Abandonment of the gold standard for the present time and for so long as Great Britain and United States remain off the gold standard is recommended as it is believed that this action would have "an immediate effect on the value of Canadian currency, will effect a rise in the price of basic commodities and in the standard of living and employment, and will stimulate the sale at higher prices of the large exportable surplus of products from Alberta which are available for and must reach world markets." It is claimed that the control and issue of currency and the fixing of interest rates have been too largely in the hands of the banks of Canada and arbitrarily dealt with from the point of view of the banks and banking rather than the people of Canada. No detailed examination or criticisms of the existing provisions of the Bank Act, the Dominion's Note Act, the Finance Act, or the Currency Act were made, however.

The reduced rate of interest is regarded as essential while with regard to provincial and municipal financing it is proposed that the central bank be given power and required to accept the bonds of provinces and of municipalities at par and that the central bank be allowed to charge on such financing a rate of interest sufficient only to cover the bare cost of operation, plus a reasonable per cent to build up a safe reserve. It is recommended that a director of a bank should be prohbiited as acting as director of any corporation or owner of any business borrowing from that particular bank while it is believed that depositors of the bank should have a representation on the directors of the bank.

Credits Over-exaggerated

Walter Campbell, vice-president Gauld's Limited, believed that short term credit was being over-exaggerated. He did not believe that it had very much to do with our present troubles. He advocated the establishment of a central national bank not with the idea that it could operate more efficiently than the present finance department could be made to do but for its psychological effect. Mr. Clarke, president of the Edmonton Economic Club, stressed the formation of a bank of public credit with a board of nine members with representatives in each of the nine provinces.

Farmers Satisfied

R. F. D. Gibbons, engaged in mixed farming, stated that his personal requirements had been justly met by the banks although he felt that interest charged was rather high. J. Gordon was also satisfied with his treatment. A. H. Lord had been loaning money on farm mortgages and after ten years' experience was satisfied with 90 per cent of his loans. He stated that farmers in Alberta who are honest and willing to pay are in the majority and this class has not taken advantage of the Debt Adjustment Act.

J. B. Corbet, superintendent of Alberta branches for the Canadian Bank of Commerce, presented a lengthy memorandum outlining Alberta legislation affecting collection of loans and securities therefor. This information had been requested by Lord Macmillan at the hearings in Calgary and was incorporated in the records of the Commission in Edmonton, although it was not read.

A. D. Martyn, manager of the Saskatchewan Life Insurance Co., Edmonton, stated that his biggest difficulty in dealing with the chartered banks had been remote control. He objected to banks demanding excessive security for loans, and inability to make direct contact with higher officials of the bank.

Suggests Small Local Banks

John W. Leedy, 85 years of age and a veteran of the Civil War and later Governor of Kansas, presented a brief which was a plea for the extension of credit of the people who work at manual labor and especially to the poor class of farmers of this country who have no credit standing with the bank and who, if they got any credit, must get it through brokers whose fees and prices are so exorbitant that the agricultural industry cannot afford to use these prices of this money in any considerable amount. It was supposed that local or "community" banks be established in Canada for the purpose of providing short term credit to the farmer. It was stated that this class of business was not desired by the chartered banks due to the lack of security that many borrowers could give and to the comparatively small return to the bank. James A. Ross believed that the world's economic ills rose from war debts and reparations and that the question of international reparations should be settled immediately. George Bevington believed that "if a national body controlling money and credit is set up and if that body is to control the price level, establish it and maintain it, it must be invested with authority to control both short term and long term credits."

H. E. Nichols, a farmer, stated that he had always received good treatment from the banks, but that his experience had been that in times of business expansion the bank had always been ready to grant a loan "practically without any security being given at all, just a note of hand," but in times of depression when a farmer needs money the banks had been very hard to get money from. He believed that the policy the banks should follow is about the reverse of their present policy.

Central Bank Opposed

Testifying before the Royal Commission on Banking and Currency in Halifax on August 29, Hon. Gordon Harrington, Premier of Nova Scotia, stated that the province did business with four banks and that the relationship had been quite satisfactory. The banks had met all the requirements of the province from time to time, had gone out of their way to assist the province when United States funds were quoted at a very high premium and had thereby saved the province anywhere from $20,000 to $30,000 in exchange through the facilities extended. The banks had been of great assistance in financing the province up to the present time.

A. D. Wiswell, vice-president of the Halifax Board of Trade, expressed the belief that the Federal Government or heads of the larger banks were quite capable of providing for the financing of the country, the movement of its crops, and to meet any emergencies that may arise from time to time. Organization of a central bank was opposed on the grounds of expense of its establishment and operation. Referring to the claim of the government of Saskatchewan that the farmers of that province should be in some way rehabilitated it was pointed out that there might be other classes such as, miners, fishermen, lumbermen, agriculturists, etc., in eastern communities requiring similar help but no concrete suggestions were offered as to how this could best be done. Action of the banks in reducing the number of branches and thereby reducing costs was commended. Mr. Wiswell disclaimed knowledge as to exactly what the functions of a central bank are and it was suggested by Lord Macmillan that when the final report of the Commission is available for study the Halifax Board of Trade should make recommendations direct to the Federal Government.

Fishing Industry Hard Hit

A. H. Whitman, president, Robin, Jones & Whitman Ltd., stated that the chief market for the dry fish trade was entirely external with the chief markets in Brazil, Italy, West Indies, and the United States. Without minimizing the troubles of the wheat farmers and the grain business, Mr. Whitman pointed out that many of the fishermen on the Atlantic Coast were as completely down and out as the farmers of the prairie provinces. The fishing industry, however, had no desire for a central bank or for any drastic changes in the bank act. Owing to heavy world over-supplies of dried fish, prices are below cost of production and will continue until demand overtakes the supply. Mr. Whitman believed that the general public as well as business men were ignorant of the functions of a central bank and while public opinion in Nova Scotia was against the central bank this opinion might change as the public was better informed. He stated that his company had always paid 6 per cent on bank loans, Mr. Whitman explained the method of financing export trade and the difficulties encountered by the dry fish industry through fluctuation of exchange rates. Any stabilization of exchange would aid the industry to some extent.

W. J. McKee, lumberman, stated that stabilization of exchange would materially help the lumber trade. He felt that the east should get credit as well as the west and stated his belief that there were substantial savings deposits made in the maritimes that were used to extend loans in other parts of Canada while Maritime credits were contracted.

Interest Rates Average 6½ Per Cent

C. E. Mackenzie, supervisor of the Royal Bank in Nova Scotia and Prince Edward Island, described the trade and industry of Nova Scotia and the manner in which the financial needs are being met by the banks. Mr. Mackenzie stated that interest rates to farmer borrowers now averaged 6½ per cent while the rate to municipalities was about 5½ per cent. Mr. Mackenzie indicated that agricultural, fishery and lumber products depended almost entirely upon the export market and that sales had been largely influenced by the position of sterling. Rise in sterling will be of great assistance to agriculture of Nova Scotia.

D. S. Lee, representing the canning industry, stated that 95 per cent of lobsters caught in the Maritimes are exported, chiefly alive to the United States, and canned to Europe. Fluctuations of exchange has caused serious difficulties although recent strengthening of the dollar had improved prices and had been of benefit to the fishermen.

Mr. Andrews favored the establishment of a central bank since such a bank might be expected to stabilize exchange rates, particularly between Canada and the West Indies. He objected to the spread between interest paid on deposits and interest charged on loans to the amount of security demanded by banks against loans to sale of securities by the banks to the public, presence of bank directors on boards of other companies and to the rate of dividends being paid on bank shares. He held that the minimum wage act should apply to all employees of all Canadian chartered banks at home or abroad.

Wants Loans For Fertilizer

Sitting in Charlottetown, P.E.I., on August 31, the Royal Commission held its shortest public sitting. Hon. W. J. C. MacMillan, acting Premier of Prince Edward Island, spoke on behalf of the government and the associated Boards of Trade of the province and said that farmers of the province do not enjoy the borrowing power which their assets warrant. One instance is given of a farmer with assets of $10,000 mortgaged to the extent of $2,000 who could not secure a bank loan for $100, unles his note was endorsed by an outside party. Antagonism of the farmers to the bank is so great that farmers will even go to the extent of paying the expenses of mortgaging their property for loans under $100 rather than apply to the bank for a loan. Farmers also object to the short terms on which loans are granted. It is felt that banks could grant, in the first instance, a term of not less than six months or in many circumstances nine months. Interest rates are considered to be too high and not sufficently flexible while service charges on cheques should be greatly reduced or entirely eliminated.

Recommendations include amendment of Section 88 of the Bank Act to permit banks to loan farmers on security of other than threshed grain, such as, foxes, fox furs, and prepared fish. The Bank Act might also be amended to permit bank loans to farmers for purchase of fertilizers. Establishment of a central bank is recommended to act as a bankers' bank, to act as a fiscal agent and thereby possibly achieve economy in public finance, to take over, improve, and administer the machinery created by the Finance Act with a view of controlling credit conditions within the country in the interests of the public, to deal in foreign exchange with the object of stabilizing the same as far as possible, to co-operate with the central banks of other countries, and to act as a financial adviser to, and research agent for, the government.

Objection was made to the fact that butter and cheese factories operating on a co-operative basis could not secure loans from the banks unless directors signed the note. These co-operatives are incorporated with shares outstanding and have assets in the form of plants, property and manufactured goods. Bank loans would permit the co-operatives to carry over their manufactured products and take advantage of a better market. Minimum interest rate charged to farmers is 6½ per cent while co-operatives secure money at 6 to 7 per cent.

L. D. Murray, manager of the Bank of Nova Scotia, spoke on behalf of the banks; outlined the industry of the province. He stated that advances to co-operatives depended upon the capital and resources behind the organization. If co-operative creameries had sufficient working capital to provide a margin of 25 to 30 per cent, they would have little difficulty in obtaining reasonable advances from the banks under Section 88 of the Bank Act or the security of warehouse receipts. Mr. Murray stated that a very small proportion of the farmers in Prince Edward Island required bank credit and the largest proportion had sufficient working capital to run their farms themselves. In good times the farmers prefer to borrow rather than to draw on their savings. Mr. Murray believed that fox pelts might be included under Section 99 of the Bank Act.

Opposes Change in System

Hearings were held in Saint John, N.B., on Sept. 1, F. M. Sclanders, secretary of the Saint John Board of Trade, stated that his organization was strongly opposed to any fundamental changes in the bank system. A politically controlled central bank was considered to be very undesirable. Objection was made to centralization of bank headquarters in central Canada and it was suggested that the several provinces be granted joint authority over banking. Such a joint control would give each province access to statistics available for their private information through the federal department of Finance and would permit determination as to whether too much money of one province was being employed for development of other provinces. Apparently large bank loans have been made available to large corporations and it was proposed that small enterprises should also be able to get credit. It was held that the banks should not deal in securities. Lord Macmillan said that to give the provinces joint control over banking would involve an alteration of the constitution of Canada. He suggested that it might be a good thing for the banks to have local boards in the different provinces with responsible directors. In that way, there would be local representation.

J. M. Robinson, investment banker, felt that the federal Department of Finance should continue to function as in the past or could extend its activities to include more of the functions of a central bank. He contended that the banks should confine their business to short term financing and should not engage in the buying and selling for profit of securities with long term maturities.

W. E. Golding, representing the New Brunswick Lumber Association, outlined the position of the lumber trade in New Brunswick, stated that "it seems unnecessary and dangerous to meddle with or change a bank system that has so successfully stood the very rigid test to which it was subjected by world conditions in the past four years." The current rate of interest charged is 6 per cent which is considered as being one per cent too high when compared with rates in other countries. Stabilization of exchange within narrow limits would be of greater value to Canadian exporters.

Royal Commission, Saint John

H. L. Enman, Bank of Nova Scotia, and F. T. Palpey, Royal Bank, represented the banks and gave an outline of the principal industries of the province and the manner in which the banks take care of their financial needs. It was stated that the problem of New Brunswick in regard to trade in general is not one of financing but rather the finding of profitable markets for the products it has for export chiefly lumber, pulp and paper, and farm products.

Sits In Quebec

Sitting in Quebec City on September 5, the Royal Commission on Banking and Currency was addressed by Hon. R. F. Stockwell, Provincial Treasurer, of Quebec, who also tendered a welcome of the provincial government. Lord MacMillan replied on behalf of the Commission in French. Mr. Stockwell opposed a national banking system on the basis that such a system might be subject to political influence. There was also the danger that a debtor feeling that he owed money which belonged to a government would not be as ready

(Continued on page 14)

Weekly Bank Clearings

	Sept. 7 1933 $	Change year ago %	Aug. 31 1933 $
Halifax	2,228,644	— 7.1	1,746,060
Saint John .	1,442,835	—15.7	1,265,921
Moncton	536,955	+ 1.3	624,480
Sherbrooke ..	548,656	+ 2.1	505,687
Quebec	3,757,863	— 9.3	3,286,808
Montreal	76,213,555	— 0.6	69,042,504
Ottawa	3,755,975	+ 0.9	2,962,336
Peterboro' ..	598,966	+ 6.0	405,262
Toronto	80,031,384	+ 8.0	84,399,871
Hamilton ...	3,179,547	— 8.0	2,876,991
Kingston ..	530,305	— 0.6	425,297
Kitchener ...	809,548	+19.9	663,222
Brantford ..	630,117	—19.1	523,993
London	2,341,113	— 2.8	1,688,872
Chatham	317,417	+ 1.7	336,495
Windsor	1,966,665	+ 4.2	1,781,040
Sarnia	419,731	+ 2.4	237,472
Sudbury	540,693	+30.2	496,965
Ft. William .	554,457	—10.9	398,053
Winnipeg ...	38,083,898	+ 8.1	50,866,495
Brandon	303,308	— 3.4	245,823
Regina	3,637,402	+23.4	2,926,874
Pr. Albert .	240,646	— 6.0	208,687
Calgary	5,542,560	+17.8	3,939,315
Medicine Hat	208,259	+14.1	201,609
Lethbridge ..	435,781	+18.4	308,997
N. W'minster	415,902	— 0.6	441,179
Vancouver ..	14,493,071	+38.0	12,629,551
Victoria	1,889,790	+38.2	1,237,870
Moose Jaw ..	490,882	— 5.2	368,701
Saskatoon ...	1,129,139	—17.1	938,418
Edmonton ..	3,264,505	— 3.7	2,561,681

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J. K. ROSS-DUGGAN, Editor

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

BANKING COMMISSION HEARING NEAR END, BANKS WILL BE HEARD

(Continued from page 13)

to repay his loan as one borrowing private funds. If a nation lends money on insufficient security the experiment contemplates that potential losses, due to the acceptance of unsound paper, whether great or small shall be met by the taxpayer. "Taxation for purposes other than reasonable services can easily attain a point where it is indistinguishable from confiscation." If a central bank is to be created by the federal authority, Mr. Stockwell feared that the cost to the public would be too high, that such a bank would be subject to political control, that provinces not in sympathy with the provincial government might not receive the same treatment as those provinces sympathetic to the federal government.

It is pointed out that power presently given to Canadian banks during the six months of the crop moving period to issue additional currency up to 15 per cent in excess of unimpaired paid-up capital and reserve funds has been of great assistance to the wheat growers of the west in the financing and marketing of their crops. It is also pointed out that the banks may increase the amount of their note circulation by the deposit of gold or Dominion notes with the central gold reserve and that in a general way the clauses of the Bank Act and the Finance Act can effectively accomplish many of the functions planned by those who advocate the establishment of a Dominion central bank. The ability of the Canadian banks to remain in a strong liquid position was due to their practice of not lending on long terms and in not lending for long terms on the security of mortgages. The ability of depositors to obtain all or any part of their savings at any time throughout the entire depression has been the greatest single stabilizing factor in our economic structure. Mr. Stockwell stated that in his experience banking institutions had rendered reasonable assistance at reasonable charges to public institutions of all kinds in Canada. The tendency of the banks when lending money to public bodies to want to know how the proposed loan will be spent and how and when it will be repaid has exercised a wholesome restraining influence on borrowers generally.

Should Have Been More Severe

Edgar Rochette, K.C., M.P.P., representing the Quebec Board of Trade, expressed the opinion that the banks are doing all that can be done toward maintaining the confidence of the people by endeavoring to achieve sound and solid progress in the financial and general welfare of industry and commerce. It was felt, however, that the banks should be restrained from dealing in securities over the counter and that such activities should be left in the hands of investment houses. After serious thought to the question of a central bank the board could not see that such an institution would in any way improve or assist the general finance or commerce of the district. Major R. M. Watson, of the Quebec Board of Trade, stated that the Board felt that the banks had made it too easy for municipalities in particular to obtain funds to carry on certain public undertakings and that had the banks in the past been more severe or more restrictive in their loans, thus making it more difficult for the municipalities to obtain money they might not have carried out certain improvements which were not absolutely essential. The Board would welcome any means that could be taken to lessen the fluctuations in exchange and raise the price level since many manufacturers had been hard hit by rise and fall of prices which had fluctuated from 100 to 300 per cent in a short period.

People's Banks Successful

C. Vaillancourt, president of the Federation of People's Banks stated that the People's Banks had been operating for some 33 years to meet the demands of working classes and particularly of agriculturists. The organization is essentially co-operative inasmuch as it transacts business only among its members. The chief object is "to promote savings and economy and protect its members against reverses of fortune, unemployment, sickness and poverty by teaching them innumerable advantages of foresight and co-operation" and also "to come to their rescue by means of loans easily reimbursed by monthly or weekly remittals." The People's Bank cannot issue paper money, cannot discount, but receive deposits from members and grant loans to members only. The methods of operating these unique banks were outlined by Mr. Vaillancourt who also gave a brief history of the banks since their inception. These banks are prepared to give long term credit to agriculturists and unlike the Canadian chartered banks, accept mortgages on land as security. Money is loaned on the security of mortgages at the rate of 6 per cent.

Mr. Vaillancourt had no objections to offer to the Canadian banking system but pointed out that in Europe where there is a central bank, bankruptcy among banks had been numerous while in Canada there had not been one bankruptcy owing to the support that the various banks mutually offered. He feared that a central bank would result in political interference and indicated that he believed the operation of the People's Bank could be copied in other provinces and that rural credit could be established from rural sources. He cited the example of Ste. Germaine, Quebec, as a typical case where a bank had encouraged thrift to such an extent that from a condition of poverty there was now considerable wealth in the community.

Wants Bureau of Information

Alfred Marois, president of the Quebec Shoe Mfg. Ass'n., outlined the position of his industry in the province and stated that banks had refrained from adopting a harsh policy of calling off advances and had also provided a sufficiency of credit to keep the wheels of the industry moving. It may be said that the industry is in a healthy position due largely to the consistent fair treatment accorded by the banks. Instead of a central bank he suggested the establishment of a Bureau of Information which would keep in touch with the different branches of industry through the boards of directors of the associations in view of studying the particular conditions of each industry and advising the banks of their needs. This bureau would also report to the banks as to the possibility of successful operation of new industries.

Banks Depress Prices

J. M. Dessureault, vice-president of the Quebec Timber Products Commission, expressed the belief that too much rather than too little credit had been placed at the disposal of most lumber operators, jobbers and manufacturers, without proper investigation prior to the time the loans were made. Large stocks of lumber have accumulated at various points in the province due to smaller demands in export as well as domestic markets. These stocks are gradually being reduced. When the banks take security under Section 88 of the Bank Act stocks of lumber may possibly be taken over by the bank and thrown upon the market, possibly at a time when such action demoralizes conditions in the lumber business for every other manufacturer. It was felt that some relief should be devised for this situation. Lord MacMillan pointed out that this was a fault in banking administration rather than in the banking system.

Professor J. E. Gregoire, professor of political economy at Laval University, spoke as an individual rather than for his university. He referred to Mr. Vaillancourt's evidence with regard to the People's Bank and suggested that in other parts of the country people could also organize their local societies. He did not agree that establishment of a central bank would serve to regulate prices and currency and did not see that the Canadian banking system should be changed to make an experiment along these lines. Asked by Commissioner Leman if it was not strange that in most other countries in the world there existed a central bank and that we have not one in Canada, Mr. Gregoire stated that probably these other countries envy the system that Canadians enjoy. Mr. Leman pointed out that not governments but banks are represented on the board of the Bank of International Settlements and asked the witness if he saw any advantage for Canada to be represented on the Board of this international central bank. Mr. Gregoire felt that it was by discussion that some day a mutual understanding would be brought about between countries to avoid disturbances similar to those which the world has witnessed but suggested the possibilities of present banks appointing a delegate to conferences without the creation of a Canadian central bank. He felt that a central bank would be profitable but questioned whether the profit or the inconvenience resulting therefrom was worth while.

H. Des Rivieres, superintendent of branches of the Banque Canadienne Nationale and E. Haberer, manager of the Quebec Branch of the Bank of Montreal, submitted a brief outlining the industries of eastern Quebec and the facilities of the banks in financing industry in that part of the country.

The Financial Post's transcript of the evidence will continue weekly until all the hearings have been covered.

British Columbia Pulp Will Pay Bond Interest

From Our Own Correspondent

MONTREAL. — British Columbia Pulp and Paper Co. will pay on October 16 next interest on its 6 per cent first mortgage bonds deferred at the beginning of May last. In addition to the principal sum the company is paying 8 per cent on the interest owing covering the period from May 1 to October 16.

It will be recalled that early in the year the bondholders of British Columbia Pulp and Paper Co. agreed to postpone interest due in 1933 and 1934 and to cancel sinking fund for 1932, 1933 and 1934. Interest on the bonds was to be paid only if earned, while 8 per cent per annum was to be paid on deferred installments. Bondholders were told that the company might not use the powers granted but it was expedient to prepare for any contingencies which might arise owing to monetary exchange problems arising out of business done in Japan.

Foreign Exchange

FURTHER indications of forthcoming inflationary policies emanate from the United States. The Government has intimated to banks that they must extend credit more freely, or that Washington would force it. On the other hand there has been only moderate use of Federal Reserve purchases of securities, and none at all of currency inflation. Conditions which are seen as necessitating early inflationary action in the United States are the N.R.A. programme and solvency of banks. Some eminent and disinterested observers feel that the N. R. A. cannot succeed without inflation in some form. American banks must be made more solvent, authorities contend, and price-raising is necessary to accomplish this. The result of such developments might be to continue depression of the dollar.

* * *

PERHAPS this threat of early inflation is the chief factor in keeping the Canadian dollar near par in the United States and maintaining sterling above $4.50 in the United States. The potential position of the American dollar appears to be ultimately one of strength. But for the short term the trend could develop into weakness, if Washington has to take concrete monetary action to raise prices.

FOREIGN EXCHANGE
New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Sept. 5	4 15-16	4 3-4	....	....
Sept. 6	5 1-16	4 7-8	10 1-2	10 3-16
Sept. 7	5	4 7-8	10 7-8	10 1-8
Sept. 8	5 3-16	4 7-8	10 3-8	10 5-16
Sept. 9	5 1-8	5 1-16	10 7-16	10 1-4
Sept. 11	5 1-16	4 15-16	10 3-8	10 5-16

STERLING, FRANCS AND LIRE
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Sept. 5	4.57	.0565	.0765
Sept. 6	4.55¾	.0566¼	.0761
Sept. 7	4.55	.0566	.0761
Sept. 8	4.52¾	.0560½	.0755
Sept. 9	4.52¾	.0550½	.0740
Sept. 11	4.54⅛	.0545¾	.0734¾

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Sept. 5	4.78¾	0.0592	0.0796
Sept. 6	4.77⅝	0.0594	0.0797
Sept. 7	4.77¼	0.0592	0.0796
Sept. 8	4.76¼	0.0585	0.0791
Sept. 9	4.75¾	0.0576	0.0776
Sept. 11	4.77¼	0.0574	0.0774

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Sept. 5	0.3607	0.2113	0.2858
Sept. 6	0.3617	0.2115	0.2861
Sept. 7	0.3604	0.2109	0.2846
Sept. 8	0.3580	0.2086	0.2838
Sept. 9	0.3511	0.2065	0.2812
Sept. 11	0.3517	0.2058	0.2814

Western Fairs Make Money

All exhibitions on the western Canada class "A" circuit made money this year, it is announced by Manitoba exhibition officials. J. E. Rettie, secretary-manager, said results were gratifying to all managements and plans for the 1934 circuit are already being mapped out.

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 11

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Sept. 9		Sales	Close Sept. 4 (or last)	Week Ending Sept. 11 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Sept. 9		Sales	Close Sept. 4 (or last)	Week Ending Sept. 11 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto
September 12, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar c.	.80	1.10
Acadia Sugar 6% pfd.	3.70	....
Acme Farmers Dairy 7% pfd.	....	40.00
Agnew Surpass 7% pfd.	66.25	70.50
Allens London 7% pfd. bonus c.	33.25	....
Allens St. Cath. 7% pfd. bonus c.	33.25	....
Allens Toronto 7% 7% pfd. bonus c.	18.00	....
Andian National U. S. Funds	25.50	27.00
Atlantic Sugar A pfd.	81.00	....
B.C. Pulp & Paper pfd.	6.25	9.25
Burns pfd. bonus com.	5.25	9.50
Canada & Dom. Sugar	31.00	33.00
Canada Mach. c.	3.50	6.00
Canada Mach. pfd.	21.00	....
Canada Packers c.	32.00	35.00
Canada Pack. pf.	102.00	105.00
Canada Starch 7% pfd.	64.50	....
Canada Tea 7% pfd.	45.75	57.00
Canada Wire & Cable 6½% pfd. WW	64.00	69.00
Can. Industries com. A	105.00	....
Can. Industries com. B	104.00	107.00
Can. Industries 7% pfd.	123.50	128.00
Can. Westing.	44.00	48.00
Chase, A. W. pfd. bonus com.	10.75	14.00
Claude Neon Gen. Adv. Units	5.25	6.25
Dom. Foundries & Steel 8% pfd.	46.75	53.00
Dom. Foundries & Steel com.	5.00	6.00
Dom. Manufacturers 7% pfd.	....	61.50
Dunlop Tire 7% pfd.	53.00	60.00
Eastern Dairies Ltd. 7% pfd.	....	25.00
Edmonton Stockyards Units	....	50.50
Federal Grain c.	1.75	3.25
Federal Grain 6½% pfd.	29.25	33.00
A. J. Freiman pf.	48.50	52.00
General Steel Wares pfd.	13.00	15.00
Goderich Elevator & Transit	4.00	5.25
Greening Wire 7% pfd.	47.00	53.00
Guelph Carpet 6½% pfd. bonus	65.00	70.00
Guelph Carpet c.	7.00	....
Inter City Baking com.	16.00	19.00
Inter. Proprietaries "A"	32.00	33.50
Loew's London c.	.35	.75
Loew's London 7% pfd.	3.60	4.50
Loew's Toronto 7% pfd.	58.00	....
Massey-Harris 5% pfd.	16.50	19.00
Medical Arts pfd. bonus com.	95.75	....
Mount Royal Hotel com.	.40	.70
Mount Royal Hotel 6% pfd.	3.10	4.25
Nat. Grocers com.	1.40	2.00
Nat. Grocers 7% pfd.	....	92.00
Ont. Silknit pfd.	....	45.00
Paramount Kitchener pfd.	31.00	....
Paramount Oshawa com.	2.50	....
Paramount Oshawa pfd.	31.50	....
Provincial Paper 7% pfd.	62.00	66.00
Reliance Grain 6½% pfd.	50.50	57.00
Rolland Paper 6% pfd. WW	50.00	....
Serv. Stations A pfd.	39.00	....
Standard Clay Products com.	....	14.50
Standard Fuel 6½% pfd. bonus	68.00	71.00
Supersilk pfd bonus	31.25	....
Supertest Petroleum	21.00	....
Toronto Elevators 7% pfd.	92.50	94.00
United Corpns. Ltd. A	5.10	....
United Corpns. Ltd. B	1.30	....

Ind. Stock cont'd	Bid	Asked
United Grain Growers	12.00	14.00
Western Grain 6½% pfd. bonus	15.00	18.00
Western Grocers pfd.	85.50	....
Wood, Alex. & James pfd.	16.00	21.00
Insurance Stocks:		
Br. Amer. Assce.	20.25	....
Canada Life Ass.	406.50	....
Can. Fire Ins.	54.50	....
Confederation Life 20% pd.	126.00	....
Continental Life 20% pd.	42.00	60.00
Crown Life Ins.	90.50	....
Dom. Fire Ins.	82.25	....
Dom. Life 50% pd.	145.00	....
Dom. of Can. Gen. Ins.	95.00	101.25
Empire Life 25% pd.	9.50	12.00
Excelsior Life 30% pd.	70.75	....
Federal Fire 25% pd.	37.25	....
Fidelity Ins. Co.	48.75	....
Great-West Life Assce.	310.00	329.50
Guarantee Co. of N. A.	250.00	....
Imperial Life	275.00	....
Mfrs. Life Ins.	255.00	265.00
Monarch Life 10% pd.	19.00	25.00
National Life 25% pd.	52.75	59.75
Saskatchewan Life 10% pd.	7.50	11.00
Sovereign Life 25% pd.	22.50	26.00
Sun Life Assur.	460.00	495.00
Western Assur. c.	14.50	17.25
Western Life 20% pd.	9.50	11.25
Trust & Loan Stocks:		
Br. Mtg. & Trust	125.00	145.00
Can. Gen. Investments Ltd.	4.90	5.25
Can. Investors Corp.	5.50	6.50
Chartered Trust	53.75	....
Debenture & Sec. com.	5.00	....
Debenture & Sec. 5% pfd.	18.00	....
Dom. & Anglo Invest. Units	185.00	....
Eastern Can. Sav. & Loan	110.50	116.00
Eastern Trust	135.00	145.00
Guelph & Ont. Inv. par $50	46.50	51.50
Investment Foundation Units	30.50	35.50
Lambton Loan & Savings	51.50	57.50
London & West. Trust	....	50.00
Premier Trust	....	80.50
Provincial Bank.	84.00	88.50
Security Loan & Savings	95.50	....
Sherbrooke Trust	100.00	110.00
Sterling Trust	....	43.25
Traders Finance A com.	.60	....
Traders Finance 7% A pfd.	29.00	....
Trusts & Guar.	31.00	....
Victoria Trust & Savings	131.00	139.00
Waterloo Trust & Savings	91.50	100.00
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	99.50	102.00
Calgary Power 6% pfd.	79.00	83.00
Can. Light & Power com.	20.00	24.00
Can. West. Nat. Gas LH&P pfd.	78.00	82.00
Maritime Tel. & Tel. com.	8.50	9.50
Maritime Tel. & Tel. 7% pfd.	10.25	11.50
N. B. Telephone c.	8.00	9.25
N. S. L&P com.	25.50	....
N. S. L&P 6% pf.	71.00	75.00

Recent London Quotations:

Brewers & Distillers	11s. 3d.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 7½d.
Hudson's Bay	26s. 3d.
Do., 5% pref.	92s. 6d.
Internat. Holdings	$2½
Nfld. Pr. & Pap. deb. stock B	94
Trust & Loan of Can.	3s. 4d.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Assoc. Breweries, pref.	7%	1¾%	Oct. 1	Sept. 15
Agnew Surpass pref.	7%	1¾%	Oct. 2	Sept. 15
Belding Corticelli c.	$4	$1	Nov. 1	Oct. 14
Building Products A & B	$1	25c	Oct. 2	Sept. 19
B. C. Power "A"	$2	50c	Oct. 16	Sept. 30
Brazilian Traction pfd.	6%	1½%	Oct. 2	Sept. 15
Bank of Nova Scotia	12%	3%	Oct. 2	Sept. 15
Bell Telephone Co.	6%	1½%	Oct. 16	Sept. 23
Brit. Amer. Oil (14)	80c	20c	Oct. 2	Sept. 16
Canada Nor. Power	80c	20c	Oct. 25	Sept. 30
Do., pref	7%	1¾%	Oct. 16	Sept. 30
Canada Perm. Mortgage	10%	2½%	Oct. 2	Sept. 15
Can. Celanese pref.	$7	$1.75	Sept. 30	Sept. 18
Canadian Cottons pfd.	6%	1½%	Oct. 4	Sept. 16
Canadian General Elec.	$3	75c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Cyclops Gas Syndicate	...	3%	Sept. 15	Sept. 14
Central Canada Loan	8%	2%	Oct. 2	Sept. 15
Calgary Power c.	$6	$1.50	Oct. 2	Sept. 15
Can. Canners 1st pfd.	$6	$1.50	Oct. 2	Sept. 15
Do., 2nd pref.	20c	5c	Oct. 2	Sept. 15
Canadian Car, pref.	$1.75	43c	Oct. 10	Sept. 25
Can. West Nat. Gas pfd.	$6	$1.50	Sept. 1	Aug. 15
Consumers' Gas	10%	2½%	Oct. 2	Sept. 15
Colonial Natural Gas & Oil	...	1%	Sept. 15	....
Dominion Bank	10%	2½%	Oct. 2	Sept. 20
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dominion Stores	$1.20	30c	Oct. 2	Sept. 15
Dominion Textiles c.	$4	$1	Oct. 2	Sept. 15
Do., pfd.	7%	1¾%	Oct. 16	Sept. 30
Dominion Glass	$5	$1.25	Oct. 2	Sept. 15
Do., pref.	$7	$1.75	Oct. 2	Sept. 15
Freiman, A. J., pref.	6%	1½%	Oct. 2	Sept. 15
Fanny Farmer	$1	25c	Oct. 2	Sept. 15
Do., pref.	$2.40	60c	Oct. 2	Sept. 15
Gurd, Chas., pref.	$7	$1.75	Oct. 2	Sept. 15
Goodyear Tire	$2.40	60c	Oct. 2	Sept. 15
Do., pref.	$7	$1.75	Oct. 2	Sept. 15
Hamilton United Theatres	7%	1¾%	Sept. 30	Aug. 31
Hunt's, "A" & "B"	50c	12½c	Oct. 2	Sept. 15
Huron & Erie Mtg.	$6	$1.50	Oct. 2	Sept. 15
Imperial Tobacco	35c	8¾c	Sept. 30	Aug. 30
Do., pfd.	6%	3%	Sept. 30	Aug. 20
Inter. Nickel, pref.	7%	1¾%	Nov. 1	Oct. 2
Inter. Proprietaries "A"	$2.60	65c	Sept. 15	Aug. 25
Do., extra	...	8c	Sept. 15	Aug. 25
Do., Class "B"	...	64c	Sept. 15	Aug. 25
Jamaica Pub. Serv.	$1	25c	Oct. 2	Sept. 15
Do., pref	$7	$1.75	Oct. 2	Sept. 15
Landed Bkg. & Loan	6%	1½%	Oct. 2	Sept. 15
Mitchell, J. S., pfd.	$7	$1.75	Oct. 2	Sept. 15
National Trust	$8	$2	Oct. 2	Sept. 20
National Breweries	$1.60	40c	Oct. 2	Sept. 15
Do., pref.	$1.75	44c	Oct. 2	Sept. 15
Northern Ont. Power	$2	50c	Oct. 25	Sept. 30
Do., pref.	6%	1½%	Oct. 25	Sept. 30
Ogilvie Flour c.	$8	$2	Oct. 2	Sept. 21
Ottawa L. H. & Pr.	$6	$1.50	Sept. 30	Sept. 15
Do., pref.	$6.50	$1.62½	Oct. 2	Sept. 15
Ontario Loan & Deb.	12%	3%	Oct. 2	Sept. 15
Pioneer Gold Mines of B.C.	60c	15c	Oct. 2	Sept. 8
Paton Mfg. pref	$7	$1.75	Sept. 15	Aug. 31
Porto Rico Power pfd.	$7	$1.75	Oct. 2	Sept. 15
Premier Gold Min.	12c	3c	Oct. 16	Sept. 15
Riverside Silk "A"	$1	25c	Oct. 1	Sept. 15
Siscoe Gold Mines	12c	3c	Sept. 30	Sept. 15
Southern Can. Power pfd.	6%	1½%	Oct. 16	Sept. 20
Sylvanite Gold Mines (interim)	...	2½c	Sept. 30	Aug. 31
Standard Steel, A pfd.	$3	75c	Oct 1	Sept. 15
Supertest Pete. "A" pfd.	$7	$1.75	Oct. 2	Sept. 15
Do., "B" pfd.	$1.50	37½c	Oct. 2	Sept. 15
Do., ord. and com.	$1	25c	Oct. 2	Sept. 15
Toronto Mortgage	$6	$1.50	Oct. 2	Sept. 15
United Grain Gr.	$1	$1	Sept. 15	July 31
West Kootenay Power, pfd.	7%	1¾%	Oct. 2	Sept. 22
Western Grocers pref.	$7	$1.75	Oct. 15	Sept. 20
Wright-Hargreaves	20c	5c	Oct. 2	Sept. 9
Do., extra	...	5c	Oct. 2	Sept. 9

Dividend Rate Reduced:
Huron & Erie Mortgage Oct. 2, $7 to $6 per annum.
United Grain Growers, Sept. 15, $1.25 to $1 per annum.

Dividends Passed or Deferred:
Can. Western Natural Gas, com. Sept. 1, passed. Last paid $1 April 15, 1933.

Winnipeg Stock Exchange

(Transactions for week to September 7)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Sept. 7
..	..	Acme Oil	500	.25	.25	.25
80c	5.4	Brit. Amer. Oil	15	14¾	14¾	14¾
..	..	Cen. Manitoba	1000	.09	.09	.09
1.20	5.4	Dominion Stores	50	22½	22½	22½
..	..	Eldorado	100	4.10	4.10	4.10
..	..	God's Lake	350	.63	.60	.62
..	..	Island Lake	1250	.20	.20	.20
..	..	Macassa	700	.88	.88	.88
..	..	San Antonio	2450	1.12	1.09	1.10
1	8	United Grain	6	12½	12½	12½
..	..	Western Grocers, c.	25	23	23	23

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumb. pref.	64	..	Sovereign Life	17	..
Beaver Fire	..	100	Traders Bldg.	66	70
City Dairy 8% pf.	..	40	Can. Amer. Tr. shs	..	3⅛
Cres. Creamery, pf.	..	35	Fundamental Ser. A	..	4¼
Northern Trust	15	..	Fundamental Ser. B	..	4¼
Pelissiers, pref.	15	..	Group. Income Shs.	..	4.80
Reliance Grain pfd.	..	55			

*Stocks more active on other exchanges not included.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
September 12, 1933

Industrial Bonds:	Bid September 12	Asked September 12	Bid Sept. 5
Abitibi P. & P. 5% 1953	24.25	25.50	25.25
Acadia Sugar 6% 1946	91.00	93.00	90.50
Alberta Bay 6½% 1942	48.50	....	48.00
Alta. Pac. Grain 6% 1946	71.00	73.00	73.00
American Sales Book 6% 1939	99.00	....	97.00
B. A. Oil 5% 1945	98.00	99.00	99.00
Can. Biscuit 6½% 1946	22.00	23.50	24.00
Can. Bread 6% 1941	96.00	98.00	97.25
Can. Cement 5½% 1947	76.50	77.00	77.25
Can. Steamship 6% 1941	19.00	20.00	21.50
Can. Canners 6% 1950	97.00	100.00	97.50
Can. Copper Refin. 6% 1945	105.00	....	106.00
Can. Cottons 5% 1940	90.75	....	90.50
Can. Vickers 6% 1947	52.50	53.50	55.00
Cons. Invest. 4½% 1959	56.50	....	56.00
Cosmos Imp. Mills 6½% 1944	85.00	....	85.50
Davies, Wm. 6% 1942	98.00	100.00	98.50
Debenture & Sec. 4% 1936	63.00	....	62.00
Dom. Tar & Chemical 6% 1949	68.00	69.50	72.00
Dom. Telegraph 5½% 1978 A	94.50	....	94.50
Dom. Textile 6% 1949	104.50	....	104.25
Dom. Woollens 6% 1948	31.00	....	30.50
Donnacona Paper 5½% 1948	30.00	....	34.00
Eaton Realty 5% 1949	90.50	....	90.50
Famous Players 6% 1948	74.50	75.00	75.00
Federal Grain 6% 1949	72.50	....	72.00
Firestone Tire 7% 1937	105.00	106.50	105.00
Fraser Co. 6% 1932	31.00	33.50	30.25
Fraser Co. 6% 1950	30.50	....	30.00
Galt Brass 7½% 1941	16.00	20.50	15.25
General Steel Wares 6% 1952	62.50	63.50	61.50
Goodyear Cotton 6% 1949	102.50	103.50	102.75
Great Lakes Paper 6% 1950	26.50	27.25	27.50
Gypsum, Lime & Alab. 5½% 1948	44.50	45.50	43.50
Harris Abattoir 6% 1947	101.00	103.00	101.50
Howard Smith 5½% 1953	71.00	72.50	73.00
Loew's Toronto 6% Serial	97.75	....	98.00
Lake St. John 6½% 1947	32.50	....	32.00
Maple Leaf Milling 5½% 1949	52.00	53.50	53.50
Massey-Harris 5% 1947	65.50	66.75	67.00
McColl-Frontenac 6% 1949	95.50	97.50	96.25
McKinnon Industries 6½% 1945	94.00	....	95.00
Mercury Mills 5½% 1953	54.00	....	53.50
Metropolitan Bldg. 7% 1944	81.50	....	81.00
Northern Ontario Bldg., 6½% 1939	70.00	75.00	66.00
Price Bros. 6% 1943	57.00	58.50	55.00
Richmond-Bay 6½% 1947	63.00	....	61.00
Simpsons Ltd. 5½% 1949	73.50	74.50	74.50
Simpsons Ltd. 6% 1949	77.00	78.50	77.25
Steel of Canada 6% 1940	103.25	....	103.00
Stop & Shop 6% 1947	65.00	....	65.50
Toronto Carpet 6% 1944	82.00	....	81.00
United Gas & Fuel 5½% 1948	74.00	78.00	74.00
United Grain Growers 5% 1948	76.00	79.00	76.50
United Grain Growers 5½% 1949	78.00	81.00	78.50
Wabasso Cotton 7% 1942	72.00	....	71.00
Western Grain 6% 1949	67.00	70.50	67.75
Public Utility Bonds:			
Bell Telephone 5% 1955	106.00	107.50	106.75
Bell Telephone 5% 1957	106.00	107.50	106.50
B. C. Power 5½% 1960	89.50	91.50	90.00
B. C. Telephone 5% 1960	95.50	97.50	96.00
Calgary Power 5% 1960	83.00	85.00	84.00
Can. Northern Pwr. 5% 1953	79.50	81.00	79.00
Duke-Price Pwr. 6% 1966	79.75	82.00	80.00
French Nat'l Mail S.S. 6% 1952	125.00	135.00	125.00
Gatineau Pwr. 6% 1941 A	70.50	72.00	71.00
Gatineau Pwr. 5% 1956	78.50	81.00	80.50
Maclaren Quebec 5½% 1961	82.00	84.00	83.00
Manitoba Power 5½% 1951	30.00	35.00	40.00
Montreal Isl. Pwr. 5½% 1957	96.50	99.75	96.50
Montreal LH&P 5% 1951	106.00	108.00	107.00
Montreal LH&P 5% 1970	105.50	107.00	105.00
Montreal Tram 5% 1941 July	95.75	97.00	96.00
Montreal Tram 5% 1955	76.50	78.00	77.50
Northwest. Utilities 7% 1938	96.00	98.50	96.50
Ottawa Valley Pwr. 5½% 1970	99.00	101.00	99.00
Quebec Power 5% 1968	95.00	97.00	96.00
Rio Tramways 5% 1935	100.00	102.00	100.00
Shawinigan W. & P. 4½% 1970	72.50	....	75.00
Shawinigan W. & P. 5% 1970	84.00	....	85.50
Shawinigan W. & P. 6% 1937	94.50	96.00	95.50
Southern Can. Pwr. 5% 1955	99.00	100.50	99.00
West Kootenay Pwr. 5% 1956	96.00	98.00	97.00
Government, Provincial & Railways:			
C. N. R. 4½% 1951 Dom. Gtd.	101.00	102.50	102.00
C. N. R. 4½% 1957 Dom. Gtd.	101.00	102.00	102.00
C. N. R. 5% 1969 Dom. Gtd.	107.00	108.00	107.50
C. P. R. 4½% 1944	81.00	83.00	82.50
C. P. R. 6% 1942	110.00	112.00	113.25
Dom. of Can. 5% 1936	102.50	103.25	103.00
Dom. of Can. 5% 1941	104.00	105.00	105.25
G. T. P. 3% 1962 Dom. Gtd.	81.00	82.00	81.25
G. T. P. 4% 1962 Dom. Gtd.	95.00	96.25	95.00
Ont. Hydro 3½% 1952 Ont. Gtd.	98.00	94.00	93.00
Ont. Hydro 4½% 1970 Ont. Gtd.	101.00	102.00	101.00
Ont. Hydro 4% 1957 Ont. Gtd.	92.00	93.00	93.50
Prov. of N. B. 5% 1963	100.00	102.00	....
Prov. of Ont. 5½% 1946	107.00	108.00	107.50
Prov. of Ont. 5% 1948	104.00	105.00	104.50
Prov. of Ont. 5½% 1944	102.00	104.00	....

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
September 12, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	90.00	5.22
Alberta	5	1 July, 1943	1 Jan.	97.00	5.40
Alberta	6	1 Mar., 1947	1 Mar.	103.50	5.63
*British Columbia	4½	1 Oct., 1953	1 Oct.	90.50	5.26
*British Columbia	5	15 Jan., 1948	15 Jan.	96.00	5.39
British Columbia	6	15 Feb., 1947	15 Feb.	103.50	5.63
Manitoba	4	1 July, 1947	1 Jan.	83.00	5.79
*Manitoba	5	2 Dec., 1959	2 Dec.	94.00	5.43
Manitoba	6	1 Apr., 1947	1 Oct.	100.50	5.95
*New Brunswick	4	1 June, 1948	1 Dec.	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	101.00	4.37
New Brunswick	5½	15 May, 1950	15 Nov.	106.00	4.97
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	100.50	4.45
Nova Scotia	5	1 May, 1943	1 Nov.	102.00	4.75
*Ontario	4½	1 Sept., 1944	1 Mar.	103.50	4.10
Ontario	5	15 Oct., 1948	15 Oct.	105.75	4.48
Ontario	5½	1 Feb., 1947	1 Feb.	108.50	4.65
P. E. I.	4	1 Apr., 1939	1 Oct.	96.90	4.60
P. E. I.	6	1 May, 1947	1 Nov.	112.15	4.80
*Quebec	4½	1 May, 1961	1 Nov.	102.00	4.18
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	86.50	5.57
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.50	5.55
Saskatchewan	6	15 Mar., 1952	15 Sept.	99.75	6.02
*Newfoundland	5	31 Dec., 1952	31 Dec.	84.00	6.45
*Newfoundland	5½	1 July, 1939	1 Jan.	86.00	8.49
*Newfoundland	6½	30 June, 1936	31 Dec.	94.00	8.80
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	104.80	4.70
*Toronto	4½	1 Jan., 1955	1 Jan.	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 Jan.	91.00	5.58
Winnipeg	5	1 Mar., 1944	1 Mar.	93.50	5.78
*Edmonton	5½	1 Apr., 1947	1 Oct.	92.50	6.32
Calgary	5	1 Jan., 1943	1 Jan.	90.00	6.42
Halifax	6	1 July, 1951	1 Jan.	115.01	4.75
Saint John	5	15 Dec., 1950	15 Dec.	102.95	4.75
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	92.34	5.90
Quebec	5	1 June, 1948	1 Dec.	101.00	4.90

*Payable in New York.

Listed Bond Quotations

Week Ending September 11, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Abitibi, 1st mtge.§	5	1953	...	23¼	...	...		
Asbestos	5	1942	...	21½	...	...	18	13
Can. Cons. Rub.	6	1946	...	...	...	...	*65½	49
Can. Cottons	5	1940	8.11	...	...	...	62	...
Can. Forgings	6	1942	...	...	...	...	84⅞	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	*100	...
Do., (Way. Ser.)	5½	1958	...	5	...	...	3	3
Can. S.S. Debs.	5	1943	...	5	...	...	*28½	5½
Cedars Rapids	5	1953	...	68	...	...	*83¼	...
Dom. Canners	6	1940	...	...	...	...	108	108
Dominion Coal	5	1940	...	...	...	...	‡103	...
McNish	6	1948	...	...	...	...	37	...
Mex. L. & Pr.	5	1940	...	2.50	...	...	3.00	1.00
Mtl. L.H.&Pr. debs.	3	1939	...	†59	...	...	*73½	70½
Mont. Tr. 1st mtg.§	5	1941	5.78	45	46	45	47½	39½
Mont. Trams. A§	5	1955	6.84	95¼	...	...	98½	95½
Do., G & Ref. B	5	1955	7.47	76	79½	...	81¼	58
Do., C	4½	1955	9.03	...	...	...	78½	...
Do., D	5	1955	6.86	...	...	...	57	57
N. S. Steel	5	1959	...	...	...	...	77⅞	76½
Ontario Steel	6	1943	...	...	...	...	*62⅞	58
Porto R. Pr.	5	1936	...	87½	...	...	80	...
Steel of Canada§	6	1940	...	...	...	...	*93	88
Wayagamack	6	1951	...	104	...	...	*102⅞	100
Winnipeg Elec.§	5	1935	...	...	...	...	*75	45
				78	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101¼	100
Steel of Canada	6	1940	...	...	...	...	*102¼	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	108.25	....	....	116.25	114.25
Victory Loan	5½	1933	4.50	100.05	....	....	100.75	100.00
Do.	5½	1934	3.95	101.50	....	....	102.60	101.15
Do.	5½	1937	3.01	109.25	....	....	110.25	109.25
Do., refund	4½	1940	4.09	102.00	....	....	101.25	99.70
Do., refund	5	1943	4.40	104.50	....	....	103.37	101.85
Do., refund	4½	1944	4.25	101.75	....	....	100.50	98.75
Do., refund	4½	1946	4.27	101.75	....	....	*92.25	91.50
Do., renewal	4	1952	4.29	95.00	....	....	95.25	91.63
Conversion Loan	4½	1956	4.45	100.00	....	....	100.50	97.00
Do.	4½	1957	4.56	100.00	....	....	99.00	96.00
Do.	4½	1958	4.46	100.00	....	....	100.50	97.75
Do.	4½	1959	4.50	101.00	....	....	100.87	97.50
Nat. Service Loan	5	1936	3.81	100.00	....	....	103.25	101.50
Do.	5	1941	4.30	104.25	....	....	103.75	100.75
Dom. Loan	4	1935	3.70	100.00	....	....	99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	...	16½	15½	...	...

†Latest ask. ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

CLASSIFIED ADVERTISEMENTS

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Working Partner Wanted

A SMALL ESTABLISHED SHRUB and flower nursery with greenhouses near Toronto requires a working partner who will take over office and sales work. A good opportunity for man retiring from active business. Box 170, The Financial Post, Toronto, Ont.

Handwriting Analysis

DO YOU WANT A COMPLETE knowledge of yourself and powers? Send specimen of handwriting for a thumb-nail analysis — which gives your right job, what you look like, personality, marriage affinity, faults to remedy. Fee $1. State present work. Address F. D. Jacob, P. O. Box 701, Ottawa, Ont. Well-known graphologist, heard over Radio this summer.

Verbatim Reports

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to insure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

Office Furniture

BOARD ROOM TABLE — MAHOGANY, 4 ft. by 10 ft., $200; cost $400. Good as new. Box 130, The Financial Post, Toronto.

Service for Investors

INDIVIDUAL investors may secure a special service on specific companies in which they are interested. Service includes detailed analyses and all newscards and revisions published on those companies during the year. Send in your list of companies. Rate—$12 a year for any 10 companies. Additional companies pro rata. Or write The Financial Post Corporation Service, 210 Dundas Street West, Toronto, for further particulars.

NOTICE

MUNICIPAL DISTRICT OF NORTH VANCOUVER

Bondholders of the Municipal District of North Vancouver are requested to get in touch with the undersigned as soon as possible, furnishing him with the face value and nature of the bonds they hold.

CHARLES E. TISDALL,
Commissioner,
North Vancouver, B.C

DIVIDEND NOTICES

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"A" Preferred

A quarterly dividend at the rate of 7% per annum on the Class "A" Preferred Stock of this Corporation for the quarter ending September 30th, 1933, has been declared; payable October 2nd, 1933, to shareholders on record at the close of business on September 15th, 1933.

"B" Preferred

A quarterly dividend at the rate of 6% per annum on the Class "B" Preferred Stock of this Corporation for the quarter ending September 30th, 1933, has been declared; payable October 2nd, 1933, to shareholders on record at the close of business on September 15th, 1933.

Common and Ordinary Shares

The Board of Directors has declared a quarterly dividend of .25c. per share on the Common and Ordinary Stock of this Corporation for the quarter ending September 30th, 1933, payable October 2nd, 1933, to shareholders on record at the close of business on September 15th, 1933.

Share Warrants

Share Warrant Holders will present coupons, serial number 25, to the Canadian Bank of Commerce, London, Ontario, and Branches in Ontario and Quebec, on and after October 2nd, 1933, where payment will be made at par.

By Order of the Board,
JAMES D. GOOD,
Secretary-Treasurer.

London, Ontario, September 6th, 1933.

The Toronto Mortgage Company

QUARTERLY DIVIDEND

Notice is hereby given, that a Dividend of Three per cent., upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st October, 1933,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

Western Grocers Limited

Notice of Dividend

A dividend of one and three quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited, has been declared for the quarter ending September 30th, 1933, payable October 15th, 1933, to shareholders of record September 20th, 1933.

By order of the Board.
W. P. RILEY,
President.

Winnipeg, September 6th, 1933.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of September, 1933.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of September, 1933.

The above Dividends are payable on Monday, the 2nd day of October, 1933, to Shareholders of record at the close of business Friday, the 15th day of September, 1933.

By Order of the Board.
MERVYN OFFER
Secretary.

Montreal, 5th September, 1933.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 21

NOTICE is hereby given that a dividend of Fifty cents per Share on Class "A" Shares of no par value has been declared for the period ending September 30th, 1933, to Shareholders as of record at that date and that same will be payable (less 5% Dominion of Canada tax in the case of non-residents of Canada) by the Montreal Trust Company at its office in Montreal, on October 16th, 1933.

By Order of the Board.
ERNEST ROGERS,
Secretary

Vancouver, B.C.,
September 9th, 1933.

Belding-Corticelli Limited

Dividend No. 30

Notice is hereby given that on the Common Stock of this Company, the Directors have declared a Quarterly Dividend of 1%, payable on the 1st day of November to Shareholders of record at the close of business the 14th day of October, 1933.

By Order of the Board,
D. F. POLLOCK,
Secretary.

Obituary

Senator Frederick L. Béique, president of the Banque Canadienne Nationale, director of the Canadian Pacific Railway and vice-president of Canadian Cottons Ltd., died on September 12, aged 88 years, at St. Mathias, Que. Among the most prominent of Quebec lawyers, the late Senator Béique was made a privy councillor in 1925. He represented the Dominion before the Behring Sea claims commission in 1896.

John J. Kennedy, formerly inspector in Canada for the Royal Insurance Co., and Canadian manager for the Albion Insurance Co., later of the Dominion Adjusting Bureau, died at Montreal recently.

R. A. Manning, assistant secretary of the Royal Insurance Co. in the United States, died recently at Montreal where he was formerly assistant manager.

Apple Prospects Good

With prospects for a 2,000,000 barrel apple crop in the Annapolis Valley and an increasing demand, prospects for growers and dealers are brightening. Cable advices from Newcastle report that centre as being in the market for a minimum of 8,000 barrels per week, or about 200,000 barrels for the season.

DIVIDEND NOTICES

DIVIDEND NOTICE

Cyclops Gas Syndicate

A dividend of 3% per share, has been declared on the stock of Cyclops Gas Syndicate, for the quarter ending September 1st, 1933, payable September 15th, 1933, to shareholders of record September 14th, 1933.

By Order of the Board,
K. W. WRIGHT,
Trustee.

244 Bay Street, Toronto,
August 31st, 1933.

A. J. Freiman, Limited

DIVIDEND NOTICE

A dividend of one and one-half per cent (1½%) on the 6% cumulative redeemable convertible preferred shares of A. J. Freiman, Limited, being at the rate of 6% per annum, will be paid on the 2nd day of October, 1933, to shareholders of record September 15, 1933.

By resolution of the Directors.
Dated at Ottawa this 8th day of September, A.D. 1933.

S. R. OUELLETTE,
Secretary-Treasurer.

Ottawa Light Heat and Power Company, Limited

DIVIDENDS

Notice is hereby given that the usual dividends have been declared for quarter ending 30th September, 1933, payable to Shareholders of record 15th September, as follows: —

Preferred Stock: 1⅝%, (being at the rate of 6½% per annum), payable 1st October, 1933.

Common Stock: 1½%, (being at the rate of 6% per annum), payable 30th September, 1933.

The transfer books will not be closed.

By Order.
F. W. FEE,
Secretary.

Ottawa, 8th September, 1933.

Canadian Car & Foundry Company, Limited

Dividend Notice — Preference Stock

Notice is hereby given that a dividend of forty-three cents (43c.) per share on the paid up Preference Stock of the Company for the quarter ending September 30th, 1933, has been declared, payable on the 10th day of October, 1933, to Shareholders of record on the 25th day of September, 1933.

By order of the Board,
A. C. BOURNE,
Secretary.

Montreal, September 7th, 1933.

UNITED GRAIN GROWERS LIMITED

A dividend at the rate of four per cent has been declared on the paid-up capital stock of United Grain Growers Limited, for the financial year ending July 31, 1933. Cheques will be mailed on September 15, 1933, to shareholders of record at the close of business, July 31.

By order of the Board of Directors.
R. S. LAW,
President.

Winnipeg, Manitoba,
August 24, 1933.

Say Premier Bennett Orders Reason in Customs Rules

Special Correspondence

OTTAWA.—One result of Mr. Bennett's visit to Great Britain is expected to be further improvement in the conditions under which British goods have been marketed in Canada.

British manufacturers have constantly protested, since the Ottawa agreements came into effective operation, that the additional preferences given to them were of little value because their effect was offset by administrative rulings regarding fixed valuations, exchange, dumping duties, etc.

Not only have British producers protested but large Canadian importing interests, such as departmental stores, wholesalers, fabricators, etc., have made known their objections to the attitude of the customs officials.

Delay in Tariff Board

There was for a while considerable resentment in Britain at the delay in the appointment of the tariff board but Mr. Bennett took the occasion afforded by his visit to England to explain the difficulties in arranging for a member of the judiciary to take over the chairmanship. Now that the board is functioning British manufacturers are holding back on their applications, apparently being willing to consider the forthcoming woollens hearing as their best guide to the handling of future applications.

Now reorganization of the Department of National Revenue is freely discussed at Ottawa. The resignation of the minister, Hon. E. B. Ryckman, is anticipated. Unofficial Ottawa says that the word has been passed to the department from above to interpret the Ottawa agreements more liberally.

Delays on Both Sides

Before the Imperial Economic Conference the rigid application of special rulings against British goods was defended on the grounds that, by offsetting the previously existing Imperial preferences to some degree, they put Canada in a better position to bargain with the United Kingdom delegates. After the conference, the continuation of the restrictions was defended, by interests close to the government, on the two grounds of the necessity of protecting home producers in a time of stress and of maintaining Canada's bargaining position until the British fulfilled their obligations regarding importation of wheat from Canada, the barring of Russian timber, etc.

It was always expected that there would be practical difficulties to iron out in the operation of the treaties, both in Britain and in Canada. Ottawa now hears that Mr. Bennett's visit to London produced more definite understanding regarding many of these difficulties. It is stated that he has ordered a policy of reason in the customs administration.

NEW ZEALAND SALE CONTROL HELD SUCCESS

(Continued from page 9)

lar significance in relation to the general Imperial problem, nutrition, public health, reciprocal trade, diet, etc. and she has attempted to secure for her claims the backing of independent authorities, such as economists, politicians, civic leaders, scientists, and doctors whose views are acceptable to the British public. She is gradually achieving the co-operation of British producers in mutual defensive measures against the foreigner. She is bringing about a steadily widening public sanction for the preferential treatment both through tariff and consumer-selection, of her products on the home market.

Advertising activities of the meat products export control board are also very extensive, including 3,500,000 sets of postcards showing six different scenes of typical New Zealand pastoral country, with the slogan, "The Home of the Finest Lamb in the World"; 2,000,000 copies of a booklet giving general information on the production and inspection of New Zealand lamb, with a large number of cooking recipes; 900 specially selected Down lambs used for display purposes; 8,000,000 advertisements in the Post Office book of stamps.

Representatives Travel

Travelling representatives of the meat products export control board are constantly on the move in the United Kingdom keeping in daily touch with retail distributors. They prosecute in cases where dishonest retailers substitute meats from other countries as "New Zealand." They lecture to students of butchers' technical classes and other meetings. They are provided with films of the New Zealand meat industry.

New Zealand export control boards are not departments, nor do they attempt to fix prices in any arbitrary manner. New Zealand products are disposed of through the usual brokerage and wholesale channels.

Guarantee in Fruit

The control boards are practically co-operative bodies elected by producers throughout the Dominion and operating strictly on a commercial basis. The New Zealand government does not make any cash contribution nor are any subsidies granted either in connection with their activities or to finance shipments. The one exception is in connection with the fruit export control board where the government give a price guarantee predicated on a careful appraisal of the probable market price.

This guarantee, however, is provisional upon each exporter contributing 1½ pence per case toward the central fund which is the first medium for the payment of guarantee claims. One reason for the guarantee is that the New Zealand fruit export control board is making strenuous efforts to introduce fresh fruit on the Continent as well as in South America, and the far Eastern markets. Shipments have also been made to Eastern and Western Canada. This experimental marketing carries with it a certain amount of risk and the government have decided to share this risk with the producers.

In order to get a true picture of the operation of the various export control boards in New Zealand, it is necessary to realize the important influence of the co-operative movement in New Zealand. Throughout New Zealand, groups of producers in various industries have got together and subscribed toward the erection and management of factories for butter, chese, meat, etc.

The New Zealand export control boards stand today as a result of private enterprise working through the co-operative movement. Their activities are thoroughly commercial and they are successful, judged by commercial standards.

Mr. Ross-Duggan has just returned to Canada from his seventh visit to the United Kingdom and Western Europe. He made a two months survey of these territories for Canadian exports. He will write several articles on export trade possibilities for Canada.

Alternating in the series, will be topical articles on conditions in different countries visited, and articles on the marketing methods of New Zealand (herein), Australia, South Africa, etc.

The first, and introductory article, appeared September 9.

Mining Stock Quotations

Week Ending September 11.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Sept. 4 (or last)	High for week	Low for week	Close Sept. 11
1	.02½	.00¼	Aconda	500	.02	.02	.02	.02
No	.30	.03	Aldermac	8,900	.23	.23½	.22	.23
1	.03¼	.01	Alexandria	27,500	.02	.02½	.02	.02½
No	.06	.02	Algoma	161,700	.03	.03	.02½	.02½
1	.01¾	.00½	Algonquin	12,000	.00½	.00½	.00½	.00½
1	.06	.00¾	Amity C.	69,900	.05	.05	.04½	.04½
No	.74	.10	Amulet	28,036	.65	.65	.60	.60
1	.01	.00¼	Apex	......	.00½	.....	.....	.....
1	.07½	.02	Area	22,200	.06	.06½	.06	.06½
No	.11	.07½	Arno (new)	10,160	.08	.09	.07½	.07½
1	1.36	.74	Ashley	1,160	1.10	1.05	.90	.95
1	.14	.02½	Bagamac	5,500	.05½	.05½	.05	.05
1	.03	.00¾	Baldwin	2,000	.01	.01	.01	.01
1	.20	.08	Barry Hollinger	20,950	.09½	.10	.08½	.09½
1	2.45	.75	Base Metals	4,275	2.00	2.05	1.90	1.90
1	.69	.60	B.E.A.R.	41,100	.....	.69	.60	.68
1	.40½	.08	Big Missouri	13,250	.20½	.21	.18½	.19
1	.28¾	.08¾	Bobjo	88,850	.27	.27	.26	.26½
No	11.50	2.28	Bralorne	9,647	10.00	11.50	10.00	11.25
1	.25	.15	Brett Trethewey	12,450	.22	.24	.21½	.21½
1	.07½	.01½	Brownlee	237,700	.03¾	.04½	.03¼	.03¾
1	.03	.00¾	Buckingham	30,000	.01½	.01½	.01	.01
No	.09¾	.01¾	Buffalo Can.	58,900	.07½	.08½	.06½	.08
5	19.50	15.60	Bulolo	325	19.50	19.00	18.50	18.50
No	.10	.01½	Bunker Hill	64,200	.07½	.08½	.07½	.08½
5s	1.25	.60	B'Wana McKubwa	......	.75	.....	.....	.....
No	.05	.02½	Canam Metals	......	.05	.....	.....	.....
1	.12½	.03	Can. Kirkland	47,567	.10½	.10	.09	.09
No	.46	.32	Can. Malartic	25,102	.42	.46	.44	.44
1	.02	.00½	Capital Rouyn	57,500	.01	.01½	.00¾	.01
1	.03½	.01	Cartier Malartic	3,000	.01½	.01	.01	.01
1	.72	.15	Castle Trethewey	10,941	.45	.48	.45	.47
1	.18	.05	Cen. Manitoba	8,523	.09	.10	.08½	.10
1	.56	.17	Cen. Patricia	81,250	.44½	.56	.45	.51½
No	.20	.03	Chibougamau Pros.	56,700	.10	.09	.07½	.07½
No	.12	.03	Church. M. & Mill.	33,550	.09½	.10	.09	.10
No	.04	.00¾	Clericy	151,100	.02½	.03½	.02¾	.03
1	.03	.01	Clifton Cons.	22,500	.02½	.02½	.01½	.01½
5	9.00	1.65	Coast Copper	140	6.00	5.10	5.10	5.10
1	.15	.00½	Cobalt Contact	40,800	.06½	.06½	.05½	.05¾
1	.33	.05	Columario	9,800	.17	.17	.15	.15
5	1.90	.75	Coniagas	1,600	1.40	1.50	1.20	1.50
No	1.00	.20	Coniaurum	8,865	.65	1.00	.60	1.00
25	142.00	54.00	Cons. Smelters	1,782	133.00	135.50	130.00	135.50
No	39.50	13.60	Dome Mines	12,365	34.00	36.10	34.00	35.50
No	.15½	.03½	Dom. Explorers	20,200	.07½	.07½	.06	.06½
1	.02½	.00½	Dominion Kirk.	14,500	.01½	.01½	.01½	.01½
1	.04	.01	Don Rouyn	2,000	.01½	.01½	.01½	.01½
1	.04½	.01½	Duparquet	500	.01½	.01½	.01½	.01½
1	8.10	1.16	Eldorado	33,307	4.25	4.30	3.75	3.89
No	4.55	1.80	Falconbridge	3,996	4.05	4.05	3.85	3.99
1	.06	.01	Federal	1,500	.03	.03	.02¾	.02¾
No	.07	.01	Gilbec	15,200	.03½	.03½	.03½	.03½
1	.17	.04	Goldale	52,100	.12½	.14	.12½	.14
10	.29	.10	Goldfield	20,100	.22½	.25	.21	.23
.	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.15	.02	Goodfish	59,400	.11	.15	.10½	.14½
1	.04	.01	Graham	4,500	.02½	.02½	.02	.02
1	1.95	.75	Granada	15,890	.92	.92	.85	.88
1	.18	.06	Grozelle	......	.08	.....	.....	.....
1	.44	.24	Halcrow Swayze	4,500	.32½	.44	.42½	.43
1	.06	.02	Harker	5,600	.03¾	.04	.03¾	.03¾
1	.01½	.00½	Hilltop	14,500	.01½	.01½	.01	.01½
5	10.90	6.00	Hollinger	9,292	10.40	10.40	10.00	10.35
1	1.05	.61	Howey Gold	102,913	.94½	1.05	.94	.98
No	12.25	3.10	Hudson Bay	968	10.70	10.50	10.00	10.25
No	.55	.25	Huronian	290	.40	.50	.45	.45
1	12.00	8.50	Inter. Mining	11	9.00	8.50	8.50	8.50
.	4.00	2.75	Do., Pur. Warr.	11	3.00	2.75	2.75	2.75
No	23.25	8.00	Int. Nickel	47,052	21.90	21.75	20.15	21.40
1	.04	.00½	Jackson Manion	78,200	.03	.03½	.03	.03½
1	.70	.20	Keeley	3,275	.55	.55	.50	.55
1	.02	.00½	Keora Mines	11,500	.01	.01	.00¾	.01
1	.76	.48	Kirk. Hud. Bay	400	.59	.60	.60	.60
1	.02¾	.00½	Kirk. Hunton	16,500	.00¾	.01	.00¾	.01
1	.52	.30	Kirkland Lake	11,175	.36	.37	.34	.35
1	.04	.01½	Kirkland Premier	......	.02½	.....	.....	.....
1	.52	.12	Kirk. Townsite	68,500	.37	.43	.37½	.38½
20c	.02¾	.00½	Koot. Florence	1,400	.01½	.01½	.01½	.01½
1	.35	.15	Lakeland	9,850	.26	.29	.27	.27
No	.32	.07	Lake Maron	43,900	.14½	.17	.14	.15
1	47.75	30.75	Lake Shore	3,089	46.50	47.00	46.00	46.00
1	.23½	.02½	Lebel Oro	142,600	.21	.23½	.20	.20
No	.29	.11	Lee Gold	264,150	.18½	.21	.18½	.19½
1	.93	.20	Macassa	147,800	.90	.91	.82½	.85
1	.07½	.01	Malrobic	52,400	.06	.06¾	.05½	.05½
No	.17	.02	Mandy	4,500	.09	.09	.09	.09
No	.07	.01	Manitoba Basin	28,200	.02½	.02½	.02½	.02½
5	39.95	21.20	McIntyre	18,465	36.50	39.95	37.00	38.80
1	.55	.30	McKinley	150	.51	.55	.50	.55
No	.08	.02½	McLeod River	158,500	.03	.04	.02½	.03½
1	.35	.03	McMillan	9,200	.30	.30	.28½	.30
No	1.15	.46	McWatters	44,475	.83½	.85	.75	.81
1	1.05	.15	McVittie	94,525	.95	1.05	.94	.96
5	1.25	.06	Mentor Exp. & Dev.	......	1.05	.....	.....	.....
1	.38½	.30	Metropolitan Gold	30,900	.37	.38½	.35	.38½
No	2.65	1.20	Mining Corp.	3,400	2.02	2.02	1.90	1.90
1	.05	.01½	Moffatt Hall	13,200	.02½	.02¾	.02½	.02½
1	.12½	.02	Moneta	3,500	.08	.08	.07	.08
1	.00¾	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.40	.04½	Moss	53,100	.05	.05½	.04½	.05
1	.03½	.00¾	Murphy	17,200	.02	.02	.01½	.01½
No	.06½	.02½	Newbec	2,900	.03½	.03½	.03	.03½
1	.06½	.01½	Night-Hawk Penn.	1,500	.04	.04½	.04	.04
5	3.50	1.15	Nipissing	4,375	2.35	2.40	2.10	2.40
No	38.25	19.75	Noranda	12,381	35.50	36.25	34.75	35.50
No	.52	.32½	Nor. Canada	......	.42	.....	.....	.....
No	.43	.19½	Normont-Gold	9,850	.42	.43	.40	.43
1	.34	.05	Osisko	3,600	.15	.15	.14	.15
1	.30	.11	Parkhill	61,880	.27½	.30	.28	.28½
1	.03½	.01	Pawnee Kirk.	5,001	.01½	.01½	.01	.01½
1	.25½	.20	Paymaster	65,800	.25	.25½	.20	.23
1	1.80	.59	Pend Oreille	2,235	1.19	1.19	1.05	1.14
1	.04½	.00½	Peterson Cobalt	7,500	.02	.02	.02	.02
1	16.25	4.30	Pioneer Gold B.C.	4,249	12.25	13.00	12.00	12.00
1	.03	.00½	Porcupine Crown	......	.02	.....	.....	.....
1	.01½	.00½	Potter Doal	4,000	.00¾	.01	.01	.01
1	1.60	.55	Premier Gold	6,000	1.30	1.35	1.25	1.26
1	.03½	.00¾	Preston E. Dome	1,500	.02	.01½	.01½	.01½
No	1.75	.68	Prospectors Air's	6,000	.90	.90	.80	.80
No	.15	.03	Quemont	......	.09½	.....	.....	.....
1	.51	.35	Read Authier	22,600	.46	.48	.45	.45
1	2.75	.00	Reno	56,450	1.42	1.29	1.25	1.25
1	.03½	.00½	Ribago	18,500	.01½	.01½	.01½	.01½
1	.03	.01½	Ritchie	11,000	.02½	.02½	.01½	.01½
1	.04½	.01	Robb Montbray	6,020	.03	.03½	.03	.03
1	1.25	.75	San Antonio	50,168	1.12	1.25	1.05	1.24
1	.07	.02	Seven Troughs	......	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	17,805	1.36	1.37	1.29	1.30
1	1.78	1.25	Siscoe	49,206	1.41	1.50	1.44	1.46
1	.10½	.02½	South Keora	1,000	.04	.03½	.03½	.03½
No	.07½	.01½	Stadacona	164,100	.04	.04½	.04	.04½
1	.60	.07	St. Anthony	16,600	.43	.42	.38	.42
No	2.21	.60	Sudbury Basin	4,105	1.66	1.72	1.60	1.60
1	.15	.00¾	Sudbury Contact	11,200	.09	.10	.07½	.07½
1	.02	.00¾	Sudbury Mines	10,500	.01½	.01½	.01½	.01½
No	.25	.16½	Sudbury Nickel	......	.25	.....	.....	.....
1	.38½	.17	Sullivan	19,000	.18	.20	.18	.19
1	1.44	.72	Sylvanite	23,125	1.22	1.25	1.22	1.22
1	.03½	.01½	Tashota	......	.01½	.....	.....	.....
1	7.25	3.70	Teck Hughes	23,698	6.55	6.75	6.40	6.45
1	.20	.03	Thom. Cadillac	22,900	.18	.17½	.14	.16
1	.61	.10	Towagmac	30,300	.52	.55	.49	.51
1	3.00	1.00	Treadwell	2,000	1.60	1.60	1.45	1.50
1	.17	.04	United Kirkland	33,700	.12	.14	.10½	.14
No	.06½	.01½	Vacuum Gas	13,000	.02½	.02½	.02	.02
No	2.40	.30	Venezuela	......	1.06	.....	.....	.....
No	1.50	.80	Ventures	34,032	1.14	1.15	1.05	1.07
1	.22	.02½	Vickers	12,500	.03	.03	.02½	.02½
1	.75	.20	Vipond	4,400	.55	.55	.52½	.52½
No	2.55	.35	Waite Ackerman	5,720	2.10	2.12	2.00	2.10
50c	.75	.33	Wayside	75,800	.60	.57	.49	.52½
No	.27	.24½	White Eagle	58,990	.....	.27	.24½	.26
1	.08	.02½	White Lake	1,500	.04½	.04½	.04½	.04½
1	.28	.02	Wiltsey Coughlan	22,500	.15½	.18½	.15	.17½
1	.27	.07	Wood Kirkland	10,050	.15	.13	.07	.07
No	7.95	3.73	Wright-Hargreaves	18,702	7.60	7.90	7.50	7.50
			OIL STOCKS					
No	.32	.07½	Acme Gas & Oil	71,000	.25	.27	.22	.22
1	.04½	.04½	Admiral	......	.04½	.....	.....	.....
1	1.60	.55	Ajax	25,075	1.30	1.45	1.35	1.38
1	.68	.05	Alta. Pacific	1,700	.26½	.39	.28	.28
1	.20	.05	Amalgamated	14,400	.18	.18	.09	.18
No	1.10	.04½	Associated	8,720	.37	.35	.35	.35
No	.26	.01	Baltac	2,500	.11	.11	.09	.09
No	2.50	.25	Calgary & Ed.	3,225	1.65	1.50	1.40	1.42
1	.45	.03	Calmont	4,700	.15	.16½	.15	.15
1	.25	.03½	Common Pete	3,500	.12	.13	.12	.12½
No	2.50	.11	Dalhousie	3,135	.75	.75	.68	.70
No	.19	.02	Devenish	1,325	.14	.15	.12	.15
No	.55	.06½	East Crest	49,544	.25½	.39	.31	.38
No	.36	.23	Erie Gas	2,000	.30	.30½	.29½	.29½
No	.02	.00½	Fabyan Pete	26,000	.01	.01½	.00¾	.00¾
No	1.75	.06	Foothills	700	.50	.59	.52	.56
No	.28	.04	Freehold	13,675	.14	.14	.11	.14
No	.12	.01½	Hargal	1,700	.10	.12	.10	.12
No	4.05	.80	Home	12,045	2.25	2.30	2.00	2.08
No	.05	.02½	Homestead	1,000	.05	.02½	.02½	.02½
1	.25	.10	Homestead O. & G	3,000	.16	.16½	.15½	.16½
No	.47	.10	Lowery	......	.35	.....	.....	.....
No	.03½	.03	Madison	58,400	.03	.03½	.03	.03½
No	.20	.05½	Marjon Oil	11,400	.15	.15½	.14	.15
1	1.85	.14	Mayland	958	1.35	1.50	1.30	1.31
No	.10	.03½	McD. Segur Ex.	12,000	.07	.07	.06	.06½
[illegible]	[illegible]	[illegible]	McD. Segur [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	.07½
1	1.10	.25	McLeod	2,000	.60	.50	.34	.45
No	.30	.07½	Mercury	19,670	.18	.19	.16½	.17
No	.45	.11	Merland	1,800	.33	.35	.32	.35
.	.01½	.01	Mid West	......	.01½	.....	.....	.....
No	.35	.09	Mill City Pete	300	.15	.15	.15	.15
1	.50	.12	Model	700	.30	.29	.27	.29
5	.30	.09	Nordon	12,200	.15	.16	.14	.14
No	.12½	.02½	Oil Selections	166,250	.10	.10½	.09½	.09½
No	.20	.04½	Okalta	200	.10½	.09	.09	.09
No	.61	.20	Olga Gas & Oil	16,000	.40	.42	.38	.38
1	.25	.13	Petrol Oil & Gas	1,050	.18	.18	.15	.15
No	.02	.02	Richfield	......	.02	.....	.....	.....
No	23.00	5.75	Royalite	821	16.50	16.50	16.00	16.00
1	.25	.05	Sarnia Oil	10,000	.15	.14	.13	.13
No	.45	.04	South West Pete.	200	.25	.24	.20	.24
1	.39	.06	Spooner	150	.20	.22	.22	.22
No	.75	.12	Sterling Pacific	4,000	.40	.47½	.45	.47½
.	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
No	.25	.03	United	11,300	.11	.11	.10	.11
No	.25	.06	Vanalta	900	.15	.13	.12	.13
No	.08	.00½	Wainwell	13,500	.03	.03½	.03	.03½

VANCOUVER STOCK EXCHANGE

(Transaction for Week to September 6.)

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Aug. 26 (or last)	High for week	Low for week	Close Sept. 6
25c	.03	.00½	Bayview	10,000	.01	.02	.01½	.02
20c	.10½	.02½	Beaver Silver	24,250	.09½	.09½	.08	.08
25c	.17	.03½	Big Slide	15,100	.06½	.06½	.05	.06
25c	.06½	.02	Bluebird	......	.02½	.....	.....	.....
No	10.65	1.38	Bralorne	2,769	10.65	10.50	10.00	10.25
1	.57	.05	Bridge River Cons.	20,881	.36	.39	.33½	.37
50c	.71	.35	Bridge River Exp.	46,150	.52	.52	.47½	.50
100	89.00	88.50	B. C. Electric, pfd	......	88.50	.....	.....	.....
1	1.50	.60	B. C. Silver	......	1.15	.....	.....	.....
No	.82	.52	Burns Mountain	......	.55	.....	.....	.....
1	4.25	1.50	Cariboo Gold	29,660	4.05	4.25	4.00	4.20
No	12.90	5.60	Coast Breweries	642	10.50	11.00	10.85	10.95
25c	.02½	.00½	Cork Province	12,300	.01½	.01½	.01	.01
1	.05	.02½	Cotton Belt	......	.05	.....	.....	.....
1	.08	.00¾	Dalhousie Mines	5,000	.04	.03½	.03½	.03½
1	.21½	.02	Dunwell	5,400	.14	.14	.11	.13
1	1.00	.28	George Copper	10	.37	.35	.35	.35
50c	.12	.04	Geo. Enterprise	......	.04	.....	.....	.....
1	.09½	.02	Georgia River	35,175	.05	.05	.04	.05
1	.60	.16	Golconda	1,500	.35	.30	.30	.30
50c	1.25	.60	Gold Belt	750	.65	.65	.65	.65
1	1.50	.95	Golden Belle	......	1.50	.....	.....	.....
50c	.11	.03½	Grandview	8,200	.04½	.05	.04½	.04½
1	.01½	.00½	Independence	2,000	.01	.01	.01	.01
1	.03½	.02	Indian Mines	4,500	.02½	.02½	.02½	.02½
1	.17	.08½	Inter. Coal	......	.13	.....	.....	.....
1	.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.57	.30	Kootenay Belle	200	.33	.30	.30	.30
25c	.04	.00½	Kootenay King	......	.01½	.....	.....	.....
25c	.01	.00½	L. & L.	500	.00½	.00½	.00½	.00½
1	.01	.00½	Lakeview	9,500	.00½	.00½	.00½	.00½
10c	.06½	.01	Lucky Jim	1,100	.04	.05	.04	.05
50c	.01½	.00½	Marmot Metals	33,000	.00½	.00½	.00½	.00½
10c	1.05	.20	Meridian Mines	102,050	.51	.51½	.44½	.50
5c	.13	.04½	Metaline Metals	......	.05½	.....	.....	.....
.	.01	.00½	Mohawk	1,500	.00½	.00½	.00½	.00½
.	.17	.12	Mogul	10,300	.14	.14	.13	.13
50c	.41	.18	Morning Star	55,200	.26	.28	.25	.25
1	.06	.00½	Morton Woolsey	2,500	.02½	.02½	.02½	.02½
1	.29	.05½	Native Sons	31,600	.10½	.11	.10	.10½
50c	.10½	.00½	National Silver	27,800	.07	.07	.06	.06½
50c	.96	.74	Nicola	37,450	.90	.96	.90	.95
50c	.21½	.02½	Noble Five	24,400	.12	.12½	.11½	.11½
50c	.01	.00½	Oregon Copper	......	.01	.....	.....	.....
1	.35	.20	Pavilion	......	.20	.....	.....	.....
1	1.25	.40	Pioneer Extension	......	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	225	13.50	14.00	12.25	12.75
1	.11	.10	Planet	......	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	3,000	.10	.09½	.09½	.09½
No	.04	.00½	Premier Border	20,000	.02½	.02½	.02	.02
1	.10	.02	Quatsino Copper	500	.03½	.04	.04	.04
No	.42	.10	Reeves McDonald	200	.20	.20	.20	.20
1	.30	.25	Reliance	......	.27	.....	.....	.....
1	2.70	.60	Reno Gold	58,775	1.50	1.55	1.25	1.37
1	.22	.04	Reward Mining	7,000	.13	.14	.12	.12
1	.10	.01	Rufus Argenta	11,500	.06	.05	.05	.05
1	.07	.02	Ruth Hope	600	.02½	.02½	.02	.02½
1	.65	.40	Sally Mines	2,200	.50	.50	.45	.45
1	.15	.03½	Silverado	4,000	.07	.07½	.07½	.07½
25c	.09	.01	Silver Crest	17,300	.04	.04	.03½	.03½
20c	.03½	.01½	Silversmith	......	.03½	.....	.....	.....
50c	.04½	.01	Snowflake	11,400	.01½	.01½	.01½	.01½
25c	.06	.06	Sonora	......	.06	.....	.....	.....
1	.61	.40	Standard Gold	......	.40	.....	.....	.....
1	.50	.20	Sunloch	125	.30	.25	.20	.20
5	.40	.20	Toric	......	.40	.....	.....	.....
50c	.03½	.02	Topley Richfield	4,000	.02	.02	.02	.02
50c	.70	.08	Wayside	36,850	.63	.62	.54½	.55
25c	.12	.01½	Waverly Tangier	131,980	.04	.04½	.03½	.04
20c	.05	.01½	Wellington	1,000	.02½	.02	.02	.02
No	.36	.25½	White Eagle	54,000	.28	.29	.26½	.27
1	.18	.08	Whitewater	4,000	.09	.09	.07½	.08
1	.48	.40	Yankee Belle	......	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	5.79	Merland Oils‡	5c.	.....
Coniagas‡	12½c	.....	Noranda‡	50c.	.....
Coniaurum†	3c.	.....	Petrol Oil	°2c	.....
Cons. Smelters*	10%	.....	Premier	12c.	9.52
Dome Mines	$1+55c	4.36	Pioneer, B.C.	60c.	5.00
Falconbridge	20c	.....	Royalite	50c.	.....
Goldfield Cons.‡	5c.	.....	Siscoe	12c.	8.21
Hollinger	65c.+10c	7.24	Sterling Pacific Oil‡	3c.	.....
Howe Sound	40c.	.....	Sylvanite	4+3½c.	.....
Lake Shore	$2+$1	6.52	Teck-Hughes	60c.	9.30
McIntyre	$1+75c	4.51	Wright-Har	20c.+10c.	4.00
McLeod Oils‡	5c.	.....			

*Stock. ‡Interim. †Initial. °Paid in 1932.

Unlisted Mining Stocks

September 12, 1933

	Bid	Ask		Bid	Ask
Abana	.03	..	Little Long Lac	.44	.47
Adanac G. Un.	.75	.90	McCarthy Webb	.02	.05
Alschbach Gold	.03	.05	McChesney Moss Un.	20.00	35.00
Athadome	.07	.10	MacKenzie Red Lake	.38	.40
Arntfield Gold	.46	.56	Man. & Eastern	.03	.04
Arntfield Synd.	.37	.43	Maple Leaf M.	.22	.24
Astoria Rouyn	.03	.05	Matachewan Can.	.05	.08
Bathurst	.03	.05	Mecca Gold	.20.	.23
Beattie	1.27	1.32	Metals Develop	.04	.06
Bidgood	.01¼	.02¼	Minaker Kirk.	.32	.43
Brubaker Units	..	300.00	Mindoka	.02¼	.03¼
Buff. Ankerite	.85*	.95	Minefinders	1.00	..
Bussieres Min.	.20	.30	Minrand Gold	.32½	.34
Can. Pandora	.25	.30	Montreal-Alb. Petroleum	.38	..
Can. Radium	.14½	.17	N.A.M.E. Units	4.50	7.00
Canusa Gold	.03½	.05	Normetal Min.	.55	.75
Cochenour-Wil. Units	15.00	20.00	Northl'd Pros.	500.00	700.00
Continental Gas	.15	.17	N'W. Que. Pros.	15.00	22.00
Continental Kirk.	.04	.06	Old Colony	.00½	.01½
Crown Reserve	.01¾	.02¾	Opemiska Copper	.04	..
Delta	65.00	75.00	Oro Grande Dev.	.50	.75
Dentonia Mines	.20	.25	Pandora	..	.30
Dorval Siscoe Units	18.00	20.00	Peninsular Pet.	.01	.00½
Dunkin	.01	.02	Peerless G. Un.	9.00	11.00
Dunlop Cons.	.07	.08½	Pontiac Rouyn	.36	.39
Eagle Oil	1.25	1.35	Quebec Pros.	.30	..
East Rouyn	.16	.20	Queen Lebel	.03	.04
Echo Bay Explor.	..	.35	Ontario Pros.	..	2.00
Elbow Lake-Shore Un.	..	50.00	Rouyn Swayze G.	.95	1.05
Fairmac Un.	..	10.00	Rubec Mines	.02	.04
Fiske Gold	.01	.02	Silveradium Un.	50.00	80.00
Flintoba	.00¾	.01¼	Smelter Gold	.16½	.17½
Galatea Units	25.00	45.00	Sourdough Un.	5.00	7.00
Glenora Gold	.20	.30	South Tiblemont Units	48.00	50.00
God's Lake	.59	.61	Sun Bear	.34	.37
Gr. Bear Lake	.40	.45	Sunorca Explor.	1.10	1.25
Greene Stabell	.48	.58	Swayze Contact	.15	.17
Hayden Gold	..	.06	Tiblemont Island	.07	.11
Holytrex	.01¼	.02½	Tom Montgomery Un.	125.00	175.00
Horseshoe	.15	.16	Tyrrell Twp. McN.	..	45.00
Intern. Radium	..	.30	West McWatters Units	12.00	18.00
Island Lake	.15	.20	Young Davidson	.16¼	.17¼
Kenty Gold	1.48	1.54			
Kirk. Divide	.23	.25			
Kirk. Gold	.23	.30			
Lake Geneva	.20	.27			
Lake Malartic	1.30	1.35			

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

Newsprint Sales Prospects Better

From Our Own Correspondent

MONTREAL. — Leading advertising agencies in the United States now seem fairly confident that the fall will bring a sharp upturn in advertising in newspapers. The opinion holds that if retail trade figures have not lost their barometrical value as an indicator of newspaper advertising volume, there should be a pronounced improvement during the next few months. This, in turn, would result in a better demand for newsprint paper.

During the past two months Canadian and United States newsprint mills have experienced a better demand for their product. In some quarters the sharp increase in sales volume in July and August was regarded as "a flash in the pan," but others incline to the view that the next four months' consumption will be on a better basis than a year ago.

Dosco Charters Vessels Handle Larger Coal Trade

From Our Own Correspondent

MONTREAL. — Three additional steamers have been chartered by the Dominion Steel and Coal Corp. to carry coal this fall up the St. Lawrence River. Unexpected placement of substantial coal orders led to chartering of the colliers, which brings the Dosco fleet up to 14 craft with a combined tonnage of 112,000 tons, or the equivalent to the strength of the 1929 fleet.

Emergency chartering of the steamers was necessitated by orders for some 200,000 tons of coal placed within the last month. It is anticipated that all of this coal will be moved by water before the close of navigation.

Sutcliffe Company Ltd.
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JAMES W. SEWALL
Old Town, Maine
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Write for prices on endless Thresher Belts, Tank hose and supplies.
N. SMITH BELTING WORKS
138 York St., Toronto.

BRITISH FILMS NOW PRODUCED IN 13 STUDIOS

(Continued from page 9)

as numerous productions emphasizing British scenic backgrounds.

Two Fairbanks Busy

A recent development that has brought the British film industry to the attention of the world was the announcement by Douglas Fairbanks that he was organizing in Great Britain a company similar to the United Artists' Corp. in America. The aim would be to bring back to England many of her own artists who have not hitherto produced pictures in Great Britain. A world market would be given to the pictures. The first picture to be produced by Mr. Fairbanks' unit will be written around the lives of the Czar Peter III and Catharine the Great, of Russia. Douglas Fairbanks, Jr., will play the part of the young Czar and a famous European actress will take the leading feminine rôle. Mr. Fairbanks, Sr., is also playing in another picture, to be produced at some British studio, under the title of "Exit Don Juan." A third picture scheduled by the Fairbanks' unit will, for the first time, bring both the senior and the junior Doug's together.

Thirteen Studios

It is not generally realized that there are no less than 13 film studios in Great Britain. Some time ago, The Financial Post, in an article on British films, published a partial list of these. Since then a complete list has been obtained from the Film Industries Division of the Federation of British Industries. The complete list is as follows:

The Gaumont-British Picture Corp., Shepherds Bush, London.
British & Dominions Film Corp., Boreham Wood, Elstree, Herts.
British International Pictures, Elstree, Herts.
Gainsborough Studios, Islington, London.
British Lion Film Corp., Beaconsfield, Bucks.
Twickenham Film Studios, St. Margaret's, Middlesex.
British Instructional Films, Welwyn Garden City, Herts.
Sound City, Shepperton, Middlesex.
A. R. P. Studios, Ealing Green, London.
Nettlefold Studios, Walton-on-Thames.
Associated Sound Film Industries, Wembley Park, Middlesex.
Cricklewood Sound Studios, Temple Road, London.
Teddington Film Studios, Middlesex.

Other Production Units

In addition to the above there are many important production units who have not studios of their own but who hire floor space in the above studios. The chief ones are the following companies:

London Film Productions.
John Stafford Productions.
Patrick Heale Productions.
Windsor Film Co.
Warner Bros.—First National Productions.

Distributing Firms

There are in addition many familiar names among British film companies engaged in the distribution of films. The chief film companies engaged in the distribution of British films are the following:

Distributing Companies

W. & F. Film Service; and Gaumont-Ideal Ltd., which distribute for the Gaumont-British Picture Corp., and Gainsborough Pictures, as well as many other production companies.

Wardour Films, which distribute for British International Pictures, and British Instructional Films, and others.

British Lion Film Corp., which distribute their own films as well as others.

Butcher's Film Service, which distribute British and foreign films.

British United Film Producers Co. formed by the Film Producers' Group of the F. B. I. (which includes all the principal producing companies in Great Britain) for the purpose of distributing British films throughout British colonies, protectorates and mandated territories. The formation of this company is the outcome of recommendations made by the Colonial Office Films Committee, which were endorsed by the Colonial Office Conference in 1930.

Canadian Cattle and Bacon Find Favor in Scotland

During the first six months of this year 4,764 head of Canadian cattle, in 11 shipments, arrived at Merklands Wharf, Glasgow, reports the Canadian Trade Commissioner there, and were sold to farmers and butchers from all parts of Scotland. The main prospects for people depend, more than ever, on the shippers selecting well-bred good types of light and medium weight. Angus and Shorthorn, or their crosses, are preferred for Glasgow. Cattle of Hereford breeding find less favor.

Imports of Canadian bacon by Scotland in the first six months of 1933 totalled 3,270 cwt. compared with 91 cwt. in the same period last year. The import of hams was 5,946 cwt. compared with 732.

Demand for Farm Lands

During the last few months there has been a considerable demand for farm lands in Manitoba and the market is reported better than it has been in the past five years.

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NOTICE TO SHAREHOLDERS

CANADIAN WINERIES LIMITED

In order to take advantage of its experience and resources to expand its business outside of Canada, your Directors have decided to issue and sell 50,000 additional shares of the Company's Treasury Stock. There are now outstanding 100,000 shares of an authorized capital of 200,000 no par shares and the new issue of 50,000 shares will make the total issued capital stock 150,000 shares of no par value. This stock is being offered to the Company's shareholders at a price of $6.00 per share, payable upon the terms set forth below.

Each holder of record of the Company's capital stock issued and outstanding at the close of business on Monday, the 11th day of September, 1933, will be entitled to subscribe for additional shares of the Company's capital stock in the proportion of one new share for each two shares then held by him, as shown by the books of the company.

The subscription privilege will expire at the close of business on Thursday, the 21st day of September, 1933.

Subscription Warrants

As soon as practicable after the 11th day of September, 1933, transferable warrants will be mailed to each stockholder specifying the number of shares of capital stock for which he is entitled to subscribe under this offer.

Shareholders with an odd number of shares will receive a half-share warrant representing the odd share. Fractional shares will not be issued, but two half-share warrants may be combined to permit subscription for one full share.

The rights evidenced by warrants may be transferred by assignments duly executed in the form printed upon them.

Holders desiring to divide warrants may return them to Montreal Trust Company, 61 Yonge St., Toronto 2, which will issue in exchange for them new warrants aggregating the same number of rights, divided as the holder may desire.

Warrants not used in making subscriptions before the close of business on Thursday, the 21st day of September, 1933 will be void and of no value.

Subscriptions

Subscriptions must be made by executing the subscription agreement endorsed on the warrants and delivering them, with the payment then due, to Montreal Trust Company, 61 Yonge St., Toronto 2, Ontario, the Company's transfer agent, on or before the 21st day of September, 1933.

Payments

Payment for shares subscribed for must be made by Bank Draft or accepted cheque payable at par in Toronto to Montreal Trust Company, and may be made either in three instalments of $2.00 each per share, on the 21st day of September, November, 1933, and the 22nd day of January, 1934, or in full on September 21st, 1933. The warrants, with signed subscriptions must accompany the first payment.

Subscribers who have paid the first instalment may prepay the second and third instalments. Only shares which have been paid for in full by November 21st will be entitled to participate in any dividend that may be declared between this date and January 22nd, 1934.

Subscribers will receive acknowledgement of subscriptions in due course, and share certificates will be delivered following payment in full.

If the deferred instalments of any subscription are not paid when and as payable, Canadian Wineries Limited, at its option, in addition to its other remedies, may declare all the shares subscribed for and all previous payments thereon forfeited for the use of the Company.

Receipts

Montreal Trust Company will issue receipts for payments made upon subscription warrants, which receipts will entitle the person named therein to the shares of stock specified therein upon compliance with the subscription terms. Credit for each instalment paid after their issue must be endorsed upon such receipts and, for this purpose, they must be delivered to Montreal Trust Company with each such payment.

Disposal of Unsubscribed-for Shares

The Directors reserve the right to make such disposition as they may deem advisable of shares not effectively taken up and paid for.

As warrants will be issued only according to the Shareholders' record, holders of shares must see that they are so recorded in the books of the Company by September 11th, 1933.

CANADIAN WINERIES LIMITED

Kenneth F. Mackenzie,
Secretary.

By Order of the Board of Directors.
Toronto, September 2nd, 1933.

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The Week in Mining

Some Profit

HOW the British investor gets an opportunity of "investing" in Canadian gold mining projects is told in a communication to The Financial Post from the Investors Chronicle of London, England, where shares of Amalgamated Goldfields Corp. are being "placed privately among investors" at 22 shillings per share—$5.25 per share at the present rate of exchange, which gives a valuation to the mine on authorized capitalization of over $25,000,000.

Amalgamated Goldfields is the latest mining promotion to have the sponsorship of H. C. Crow, who also headed the Blue Quartz Gold Mines, the vendor of the property. The Cartwright Goldfields was the vendor of part of the property to Blue Quartz so that the Amalgamated Goldfields represents at least the third incarnation by the same principals of a company around a prospect in Beatty township, Ontario, an area where there are no producing mines.

The amazing angle of the share offering to the British investors is that, while the shares are being sold there, by agents who are not named, at 22 shillings, the average who have optioned the stock is but 11½ cents per share.

According to the records of the registrar of Ontario companies, Canadian Organizers has optioned 2,000,000 shares of 5,000,000 Amalgamated Goldfields authorized. In addition, Canadian Organizers is to purchase 226,155 vendors shares from the Blue Quartz Gold Mines. Which shares, treasury or vendors, are being sold in Great Britain at 22 shillings each, is not disclosed.

The Britisher has often been criticized for not taking a greater interest in the financing of Canadian mines but the real complaint, according to the Investors Chronicle, is that they never get the opportunity to participate in any real first-class prospect and that there has been so much unsavory promotion that well-informed financial groups will not lend their aid to financing mining properties in Canada.

* * *

Coniaurum's Market Move

CONIAURUM was the market performer for the last week, the shares advancing on the Standard Stock & Mining Exchange from 5 cents a share in January this year to a new high for the shares of the reorganized company of $1 on Tuesday last.

Two reasons are offered for the shares advancing: One is that it is one of the Lindsley-controlled stocks which in the past have been among the most active market performers. The second explanation, according to gossip, is that the ore extension from the adjoining McIntyre mines has been encountered. Having regard for the fact that the Coniaurum workings are not near the McIntyre boundary and also that the lowest working of Coniaurum could not by a most elastic imagination reach the McIntyre formation at near present levels it appears that the story of the McIntyre ore can at the present stage of developments be considered only as food for the gullible. Coniaurum has excellent technical management and an extensive programme has been rewarded with encouragement in finding ore but at the present stage there is no physical development that would seem to justify such a rapid share appreciation.

New Cariboo Find Made on Bowron River

A new company has been formed in British Columbia known as the Dawn Miners Ltd. to prospect further and develop a find made on Bowron River, 16 miles south of Hansard, this last summer by J. Wilson.

The property is some 50 miles northeast of Barkerville in the Cariboo district and was the site of mining activity years ago but only during the last couple of years have efforts been made to discover the origin of the gold in the creek flowing into Bowron River.

Options Kenty Claims in Kowkash

An option has been taken by P. H. Crawshaw, mining engineer of Toronto, on the Kenty claims some ten miles south-west of the Tashota Gold Mines in the Kowkash area, Thunder Bay district of Ontario. The property was reported on by Dr. Gledhill of the Ontario Department of Mines and channel samples by J. Kenty gave $4 to $14 per ton in gold across eight to 10 feet of mineralized schist.

Canadian Mining News

HOME OIL CLEARED OF IMPERIAL DEBT INVESTS IN MINES

Loss Incurred From Turner Valley Operations Last Year

Annual report of Home Oil Co., covering the fiscal year ended December 1, 1932, carries a supplementary statement which records that since the fiscal year end the liability of $78,469 owing to Imperial Oil has been adjusted and $133,606 in cash paid over to the Home Oil Co. by Imperial.

Through this adjustment a current liability shown on December 31, 1932 as $85,850, with current assets of $21,017, has been converted into a strong liquid position and on August 24, 1933 the company held $75,000 in Dominion of Canada bonds, $40,000 in savings account, 1,500 shares of Pioneer Gold Mines of B.C., 2,000 shares of Bralorne Gold Mines, 250,000 shares of T. E. Gold Mines, 2,000 shares of Plutus Mines Ltd., 5,000 shares of Dan Tucker Mines Ltd., 66,666 shares of Placer Engineers and 4,000 shares of Reno Gold Mines. Taking the market price of the listed mining securities as at August 24, the liquid assets of Home Oil had a value at that date of $150,000 exclusive of its holdings in P. E. Gold Mines, Plutus, Dan Tucker and Placer Engineers, whose shares are not listed.

A Loss on Operations

The income and surplus account for the year ended December 31, 1932, showed a substantial decline in operating income, which the company explains was caused through the further decrease in rock pressure, restrictions imposed by the government through its conservation measures and a reduction in the price of crude oil and crude naphtha. The report shows a net loss of $6,904 after reserves of $54,699. This compares with a net profit in the previous year of $626.

Total sales of the company's production were valued at $77,786 as compared with $181,661 in the previous year. Operating and administration expenses showed a substantial decline from previous years but the liberal reserves for depletion and depreciation resulted in a loss.

From the company's six producing wells in Turner Valley, a total of 23,979 barrels of crude naphtha and 2,785 barrels of crude oil was produced, approximately one-half of that produced in the previous fiscal year.

Home Oil Co. has recently arranged with the Royalite Company, which early this year installed an absorption plant in Turner Valley, to take a portion of the tail gas from the Home Oil separators and process it through Royalite's new absorption plant, thereby increasing the naphtha recovery by a considerable extent.

The report shows Home Oil Company has 9,652 shareholders with Quebec heading the list of the provinces in the Dominion with 3,640 shareholders.

An annual meeting of the company is called for September 22 in Vancouver to ratify the acts of the directors during the past fiscal year.

Placer Staking Sees Big Boom Rossland Area

The Rossland area of British Columbia is humming with activity as placer and lode mining takes on new commercial aspects with gold at $30 per ounce. Over 40 placer claims have been staked in the area since spring, and five claims have been on free miner certificates. On Sitkum Creek gold nuggets the size of cherries have been reported.

From the old O.K. mine on O.K. Mountain, high grade ore is reported in a four ft. vein which is attracting considerable attention. The property lies adjoining the I.X.L., a famous producer of the old days of the Rossland rush in the early nineties.

At the Homestake property decision has been reached to explore further the faultings where the ore was lost and drifting is to be recommenced on the 100 ft. level. Operations were suspended here some time ago and the renewed effort is the result of a further geological study.

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Macassa Mine Starts Production In October

New 200-Ton Mill Nears Completion Culminating Speedy Development of Deepest New Producer in Canada

Another producer will be added to the ranks at the Kirkland Lake camp first week in October, when the new 200 ton mill of Macassa Mines swings into operation at an initial rate of 100 tons daily. The new mill, a product incorporating the latest metallurgical practice, is now nearing completion, its superstructure has been finished and the placing of the heavy machinery in the mill has made such favorable progress that the date of initial operations is well ahead of schedule.

The speed with which this property has been brought to the production stage—development started in April, 1931—reflects an adequately financed and ably directed programme, which culminated in the construction of a modern mill embodying practices which have been thoroughly tried out by the existing producers in the camp. A marked feature of the company's long-deferred programme has been the fact that, once undertaken, there have been no false moves or costly errors in the speedy mine development or in the construction programme.

Development Speeded

Simultaneously with the sinking of the shaft to the 2,475 ft. horizon, a drift was driven on the 2,475 ft. level from the Kirkland Lake Gold Mining Co. property 2,500 ft. to the east of the shaft.

Development work has centred about a tongue of syenite some 600 to 800 ft. in width which dips westward across the Macassa property and outcrops on the adjoining Kirkland Lake Gold Mining property to the east. Within this zone which has a lateral dimension some 1,300 ft. on the 2,475 ft. horizon, development has been concentrated on blocking out ore on this, the lowest level, and the three levels above, which give a developed zone of 500 ft. vertically.

On the 2,475 ft. level 500 ft. of ore, averaging $11 in gold over an average width of 4.6 ft. has been blocked out. On the level above—the 2,325 ft. horizan—536 ft. of ore was developed over a width of 4.8 ft. averaging $15.05 per ton. The ore developed in the 500 ft. vertical block, in and adjacent to the syenite tongue is reported to average 500 ft. per level over a width of 5 ft.. This zone finds its apex on the Macassa property some 650 ft. from the surface at the Kirkland Lake Gold Mining and Macassa boundaries.

Day's Ore Per Foot

In the accompanying diagram is shown the completed and projected development.

From the work completed to date indications are that in this one zone approximately 200 tons of ore of commercial grade exists per vertical foot, sufficient for one day's operations. Therefore the development to date suffices for approximately two years' ore supply for the mill with unexplored sections in the same formation extending to within about 650 ft. from the surface.

As to what exists in this unexplored horizon, officials of the company will not hazard a guess but are confident that within the developed zone between the 2,000 and 2,475 ft. levels there exists sufficient ore to give a profit which will more than repay the cost of development and mill construction.

West Area Unexplored

The company's property extending some 4,200 ft. along the main break of the Kirkland Lake camp is the longest fracture zone of any producing property in the area. What possibilities it holds other than the syenite tongue graphically portrayed in the diagram, remains for future development to determine. Already, however, a short drift has been extended westward on the 700 ft. level toward a porphyry intrusion believed to exist at that depth in that area. Having regard for the fact that some of the highest grade ore shoots in the camp have been associated with the porphyry, the development of the property to the west of the main production shaft is awaited with interest and holds the secret to the real big mine-making possibilities of the property.

WAYSIDE GOLD HAS AMPLE FUNDS

Mill Construction To Await Completion of Development Programme

Over the signature of Purves E. Ritchie, managing director of Wayside Consolidated Gold Mines, it is being sought in an advertisement to contradict certain erroneous statements that are being circulated concerning the company. The information is given shareholders that the company has ample funds in its treasury to complete its present development programme. These funds, The Financial Post is informed, are approximately $50,000. In addition the company has 100,000 shares, donated to its treasury to be sold for the benefit of the company.

No Reorganization Imminent

With all of the company's $2,000,000 authorized capitalization outstanding it is anticipated that donated shares will be sufficient to provide funds for the erection of a mill and therefore no reorganization of the financial structure of the company is imminent. The advertisement says that after a recent inspection of the property by an eminent engineer on behalf of eastern interests, most of the escrow shares have been contracted for.

Present plans call for further development work and deferring decision on the size of the mill which will not be constructed until this present development programme is completed.

Development work has been confined to the Wayside claim where four adits have been driven into the mountain side. A new low level adit has been started which is planned as the main haulage way when production is commenced.

Ontario Gold Output $3,716,395 in August

Production by Ontario's gold producers in August continued at high levels with the output second only to the record established last March. The value from the Porcupine camp was $1,886,546 and from the Kirkland Lake camp. $1,728,048. The aggregate production from the respective camps for the eight months period is running neck and neck. Porcupine's total was $14,440,091, while that of the Kirkland Lake is $14,129,016.

The order of output of the respective mines is—Hollinger, Lake Shore, McIntyre, Dome, Wright-Hargreaves, Teck-Hughes, Sylvanite, Howey, Coniaurum, Vipond, Buffalo Ankerite Toburn, Kirkland Lake Gold, Ashley, Moss and Mintox. A new producer appeared in August—DeSantis while Parkhill was not in operation so had no production to report.

The following is a tabulation of Ontario's gold output by months for 1933:

Period	1933 Or milled tons	Total Value $
January	473,739	3,505,198
February	424,922	3,615,354
March	461,904	4,059,248
April	449,650	3,681,801
May	475,971	3,654,442
June	457,886	3,648,692
July	462,635	3,636,754
August	480,923	3,716,395
Grand Total	3,687,630	29,517,884

Bulolo Gold to Start Third Dredging Machine

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports a gross production of 8,045 ounces of fine gold from 488,900 cubic yards as a result of operations in August. Estimated working profits for the period is 6,433 ounces. At $30 Canadian per ounce of fine gold, this represents a working profit of $192,990.

Dredge No. 3, it is announced, will probably be in commission about the middle of October when it will dig flotation for about one month before reaching payable gravel ends.

KERR LAKE REPORTS GOOD QUICK ASSETS

New Zealand Subsidiary Pays Up Back Dividends

Annual report of Kerr Lake Mines for the fiscal year ended August 31, 1933, shows the company with liquid assets of $133,999 and current liabilities totalling $7,501.

Operating principally as a holding company, it controls the Kerr Lake Mining Co., Ltd., a former producer at Cobalt which paid dividends to the extent of $10,521,000 to 1927. Since that time operations have been conducted by lessees, who finally discontinued operations on July 31.

The principal activity of the company now centres about its interest in the Rimu Gold Dredging Co., operating a property near Hokitka in the province of Westland, New Zealand, where a recovery of 14,640 ounces of gold was made in the calendar year of 1932. During the first six months of 1933 a recovery of 6,899 ounces was made. In 1932 an initial dividend from the Rimu Gold Dredging paid up all arrears of dividends on the preferred stock.

During the year Kerr Lake Mines expended $14,335 on sundry examination and mine exploration. Administration and general expenses totalled $22,532. Income was short of meeting the operating expenses by $21,889.

Askalta Oil Investigates B. C. Mining Properties

Askalta Oil Co. with producing wells in the Montana section of Red Coulee-Border field, may shortly join the ranks of mining operators in British Columbia. Following a tour of inspection by W. F. M. Plotke, manager of the Company, into the central British Columbia gold producing areas, several properties are being considered.

The company has six producing wells at Red Coulee with a monthly output of from 4,000 to 5,000 barrels. The location for a seventh well is being made and drilling operations will follow as soon as a rig can be moved to the site.

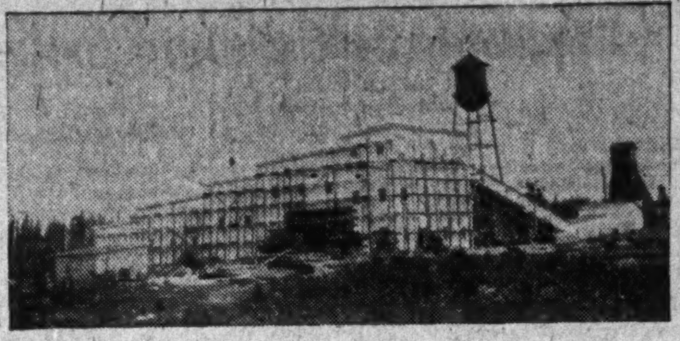
Askalta's Red Coulee holdings amount to 196 acres, of which only 50 acres have been developed, leaving 7 or 8 potential locations.

The company has a full line of drilling equipment and owns a pipe line to the Northwest Stellarene and Maple Leaf Refineries at Coutts, Alberta.

Since starting operations on this lease the company has taken approximately 138,000 barrels of oil from it.

Askalta owns 196 acres in Red Coulee, Montana field, 600 acres in the Wainwright field, and 80 acres close to the Hoffer-Lundy test well in south Turner Valley.

Macassa Nears Production



The latest to join the ranks of the gold producers in the Kirkland Lake camp, currently the largest gold producing area on the continent, will be the Macassa Gold Mines. The first week in October is set as the starting date.

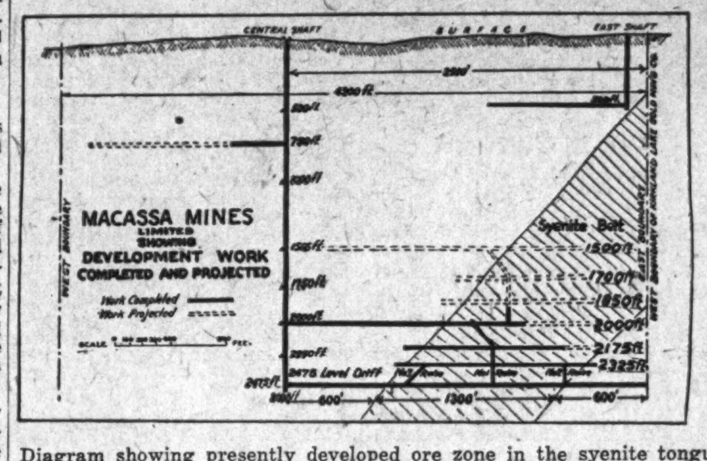


Diagram showing presently developed ore zone in the syenite tongue cornering on the company's property. The main break of the camp passes through the property for 4,200 feet, the longest of any property in the area.

CASEY SUMMIT RESUMES WORK DEEPENS SHAFT

Shaft Deepening Starts—Pilot Mill Deferred Pending Development

Following a visit to the executives of Maple Leaf Mines and its engineers to the property of Casey Summit Gold Mines at Summit Lake in the Patricia district of Ontario last week, a definite programme of development has been started which includes deepening the present two compartment shaft from the 75 ft. level to the 225 ft. level and developing the property at that horizon. The shaft has been pumped out and sinking is now in progress.

Two weeks ago it was announced that Maple Leaf Mines had acquired controlling interest in the Casey Summit property by optioning 2,500,000 shares of 50 per cent of the capitalization with the intention of immediately completing a 20 ton pilot mill already on the property preparatory to production within 90 days' time.

To Defer Mill Programme

In view of the consistent high grade ore bodies already developed at the 75 ft. level by drifting and by diamond drilling to a vertical depth of 375 ft. over a length of 900 ft. the decision was reached to defer pilot mill operation construction and instead concentrate on development with the view of bringing the property into production on a larger scale as speedily as possible. With the entry of Maple Leaf Mines into the Casey Summit financial picture two Maple Leaf directors, J. A. Wilson and Fraser Raney, K.C., have been elected to the Casey Summit Gold Mines directorate. H. F. Fancy, M.E., is superintendent in charge of operations in collaboration with Carl Erickson.

Stadacona Rouyn Drilling Explore Deep Horizons

In a report on the property of Stadacona Rouyn Mines, Murray D. Kennedy, the company's consulting engineer, says that taking into consideration the consistent and encouraging results obtained from diamond drilling and underground exploration, Stadacona has more than ordinary possibilities of becoming a producing mine.

On group number two of the company's holdings at the edge of Pelletier Lake, Rouyn township, Quebec, previous operations included sinking a shaft to the 300-ft. level and some 410 feet of cross-cutting at this horizon. Drifting on the No. two vein at this level showed 100 feet of ore with values from 80 cents to $9.20 a ton over full drift width of five feet. On No. four vein 20 feet north of No. two, 45 feet drifting gave values of from 40 cents to $11.60 per ton over a width of five feet while drifting 150 feet eastward gave values of from 60 cents to $8.80 over five feet. The No. five, or the last diamond drill hole drilled, designed to cut the veins at the 1,000-ft. horizon or an inclined distance of about 1,300 feet, is presently down over 300 feet and will serve the purpose of exploring new ground north of the workings.

Two additional diamond drill holes are projected to gain further knowledge of the extension of the vein on the east and west side of the shaft.

Ontario's Mineral Production

First Six Months, 1932 and 1933

Product		Quantity (6 months) 1932	Quantity (6 months) 1933	Value (6 months) 1932 $	Value (6 months) 1933 $
Metallic					
Gold	ounces	1,126,695	1,092,392	23,311,555	22,581,749
Silver	ounces	3,276,457	2,303,668	1,062,703	760,879
Platinum metals	ounces	41,762	12,894	1,551,048	343,956
Copper, metallic and in concentrates	lb.	31,474,198	46,325,994	2,121,622	3,097,481
Copper in matte exported (a)	lb	10,859,743	9,420,284	380,091	329,720
Nickel in matte exported (a); Nickel, metallic, and contained in oxides, residues and salts	lb.	21,162,786	22,802,434	5,418,082	5,149,355
Cobalt metal contained in oxides, salts, and mineral exported	lb.	210,283	193,150	238,268	280,352
Bismuth	lb.	10,939	3,458	10,962	1,550
Lead, pig and in concentrate	lb.	56,756	12,675	1,430	272
Selenium	lb.	......	8,600	......	17,200
Total				34,095,756	32,562,511
Exchange compensation on gold				3,239,146	4,905,386
				37,334,902	37,467,897
Non-Metallic					
Arsenic (white and other forms)	lb.	1,628,723	639,902	65,149	26,723
Diatomite	tons	9	......	360	......
Feldspar	tons	1,859	1,689	21,636	19,904
Graphite	tons	255	104	12,930	5,739
Gypsum	tons	20,389	11,807	188,779	73,312
Sulphuric acid (b)	tons	2,005	2,317	20,050	23,170
Mica	tons	51	43	671	488
Mineral water	Imp. gals.	34,117	14,270	1,901	700
Natural gas	M. cu. ft.	4,445,000	4,100,763	2,750,000	2,626,100
Petroleum	bbls.	62,683	68,322	116,664	119,245
Quartz and quartzite	tons	32,769	22,878	46,440	28,789
Salt	tons	112,887	111,499	882,352	876,195
Talc	tons	6,366	6,390	59,107	58,520
Total				4,166,039	3,858,885
Structural materials (c)				3,000,000	1,000,000
Clay products (c)				1,000,000	400,000
Grand total				45,500,941	43,326,782

(a) Copper and nickel exported in the form of matte valued at 3½ and 18 cents per pound, respectively, in 1932 and 1933.
(b) Sulphur content of acid recovered from sulphur fumes.
(c) Estimated on the basis of building permits issued and contracts awarded, also from monthly reports by the larger producers.

Towagmac Co. Will Increase Capitalization

Shareholders of Towagmac Exploration Co. are in receipt of a notice calling a special general meeting of the company to be held in Montreal, September 18 to increase the capitalization and provide shares for further financing already arranged.

The present capitalization of 1,250,000 shares of $1 par value is to be increased to 2,000,000 like shares. Arrangements have been completed for the sale of 600,000 shares of the new stock at prices ranging from 40 cents each for the first 100,000 shares to 90 cents each for the last 100,000 shares, which will net the company $390,000 or an average of 65 cents per share.

The new financing is to provide operating funds for the company's subsidiary, Aldermac Mine, which recently resumed activities, preparatory to starting milling operations to fill an order recently received.

Towagmac Exploration Company owns approximately 70 per cent of the issued capitalization of Aldermac.

Locarno Starts Production At Its N. S. Gold Property

Locarno Gold Mines, incorporated in 1927 as the Locarno Copper Mines, started production operations at its property in Stormont township, Nova Scotia, on August 21, according to official advice. Through financial assistance by the Nova Scotian government under terms granted this year and through the sale of shares by Bogue and Co. of Montreal at 25 cents a share, the company has been able to re-vitalize operations at this old gold property which first attracted attention many years ago. Former operators sunk a shaft to the 100-ft. level and reported free gold all the way down. Present plans call for sinking a winze 110 feet.

Locarno has an authorized capitalization of 5,000,000 shares of no par value of which 2,700,000 are outstanding. Upon change of name in 1931 the authorized capitalization was increased from 3,000,000 shares. Old shareholders are pooling their stock until August 1, 1934.

British Dominion To Drill New Well

British Dominion Oil & Development Corp. reports that a contract has been entered into between Hardie Turnbull for L.S.D. 6 section 8-12-2-W5 in South Turner Valley, under which the company undertakes to drill a well to the limestone with a 15 per cent royalty payable to Mr. Turnbull. The drilling to commence this month.

The company first encountered commercial production late in 1929. It has two producing wells and up to March 31, 1933, produced 50,288 barrels of naphtha and 1,241 barrels of crude oil.

Imperial Oil to Drill C & E Land in South End

Arrangements have been completed between Imperial Oil and Calgary & Edmonton Corp. whereby Imperial will drill a well in the south one half of section 27, immediately to the south of the Merland property, the most southerly producer in the valley.

Under the terms of agreement Calgary & Edmonton Corp. partially finance the operation and share any production with Imperial. Operations have not yet commenced but a decision is being reached on the most logical location for the new well.

The Current Rate of Profits of **Canadian Gold Mines**
is the subject of the feature article in this month's "Mining Chronicle," showing the earnings in relation to the excess price on gold.
The issue also contains late information on Great Bear Lake Mines, Eldorado, B.E.A.R., Lake Shore, McIntyre, Dome, Hollinger, Wright Hargreaves.
Copies will be mailed upon request.
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At the Mines

Amity Copper & Gold Mines—Shareholders are in receipt of notice calling a meeting of the company on September 22, in Toronto. Recently new interests headed by R. S. Potter became interested in the company with Mr. Potter assuming the presidency, succeeding D. O. Johnson.

* * *

Bloom Lake Consolidated Mines—In a new financial arrangement with New York interests, shares in the company will be taken under an option to finance the resumption of development work. Diamond drilling is understood to be starting without delay.

* * *

Brownlee Gold Mines—At the company's property adjoining Noranda Mines two diamond drills are at work and six diamond drill holes have already been put down to a depth from 1,200 to 1,600 feet. Width and values are not given but the results are understood to be encouraging.

* * *

Canadian Kirkland Gold Mines—The company's No. two shaft currently at a depth of 150 feet is to be deepened to an immediate objective of 250 feet where a level will be established and lateral work commenced.

* * *

Dome Mines—August gold production was valued at $367,321, exclusive of exchange compensation, as compared with $359,520 in July. The accumulated production for the eight month period in 1932 totals $3,105,160 and the average monthly production is $388,145, exclusive of exchange compensation.

* * *

Goldbanks-Kirkland Mines Limited—A discovery of sufficient importance to attract the purchase of a block of shares by the Lake Shore Mines directors is reported by the company which is active in developing a property just west of the Macassa Mines, under the direction of Dennis Duffey, formerly of Lake Shore Mines.

* * *

Granada Gold Mines—No production or financial statement is to be rendered covering operations to June 30 as was done in previous years, according to official advice. The fiscal year has been moved ahead to December 31. Therefore, the next statement will cover a period of 18 months of operations.

* * *

Kirkland Divide Gold Mines—At the company's property adjacent to the Tashota Gold Mines, future work is to comprise diamond drilling, according to P. H. Crawshaw, the company's engineer. Funds are reported arranged which will enable the programme to proceed. At recent directors' meeting P. E. Poitras of Montreal was made president.

* * *

Lamaque Gold Mines—The company's property in Bourlamaque township, Quebec, under development by Teck-Hughes, is being speedily developed. The aggressive programme under way includes extensive diamond drilling. The sinking of the No. five shaft, now in progress, is interpreted as calling for an early decision on the company's mill construction programme.

* * *

Lake Malartic Gold Mines—Underground work is to be conducted under the direction of H. R. Bissell, M.E. and arrangements have been made for the installation of a small pilot mill to treat the high-grade ore section found on the surface.

* * *

McDougall-Segur Exploration Co.—Active development of its property in section 12-20-16-3W5 in Turner Valley is planned to start at once. Heretofore the company's subsidiary, the New McDougall-Segur Oil Co., has been the active exploration end of the enterprise. McDougall-Segur Exploration Co. is also understood to have acquired 1,100 acres on the Comery structure with the intention of giving it an early test.

* * *

McMillan Gold Mines—Dewatering the shaft, sunk to a depth of 525 feet by former operators, has just been completed. Due to the fact that there is some 5,000 feet of lateral work underground, dewatering was a substantial task. Immediate plans call for sinking the shaft to the 625-ft. level and if this and lateral work confirm the extension of the known ore zone, officials will decide on the construction of a mill.

* * *

Meridian Gold Mines—Working on the 700-ft. level in the Eva section, a vein running from seven to 12 feet in width is reported showing high assays in gold. The tunnel is being advanced and the full face of ore has free gold showings. The extension of this tunnel about 400 feet will bring it under the Highland Mary glory hole where an ore body was mined as wide as 100 feet from the surface in operations years ago.

* * *

Model Oils Limited—Drilling has been halted at the No. two well, formerly known as Anaconda No. one, while attempts will be made either to shoot the well or treat it with acid to improve production. The well stands at 6,539 feet, over 1,000 feet in the brown limestone and is to be bridged back to 6,100 feet where a strong gas flow was encountered.

* * *

Pioneer Gold Mines of B. C.—August production, including exchange compensation, is valued at $202,150 as compared with $204,300 in July. Operating expenses for August were $62,000 leaving a profit before depletion, depreciation and taxes of $140,150.

* * *

Quebec Gold Mining Corporation—R. M. Macaulay, B. Sc., M.E., for eight years in charge of eastern mining operations for the Consolidated Mining & Smelting Co., has been elected vice-president in charge of mining operations.

* * *

Siscoe Gold Mines—August gold production was valued at $94,713, exclusive of exchange compensation, recovered from 9,263 tons of ore treated, an average recovery of $10.22 per ton.

* * *

Stanley Siscoe Extension Mines—Application for listing on the Standard Stock & Mining Exchange and Montreal Curb Market was decided on at the annual meeting in Montreal last week. The company's authorized capitalization is 3,000,000 shares, divided into 1,500,000 class "A" and 1,500,000 class "B" shares. The application for listing is for the class "A" which in effect pools the class "B" shares. The underwriting of the class "A" shares is announced to provide funds for development.

Metal Prices

New York—September 12:
Copper: Electrolytic spot, 9c. lb.
Silver: 37½c.
London—September 12:
(Long Ton)—
Copper: Electrolytic spot, £39; future, £39 10s.
Standard spot, £35 12s 6d; future, £35 17s 6d.
Tin: Spot, £217 10s; future, £217 10s.
Lead: Spot, £12; future, £12 7s 6d.
Zinc: Spot, £16 15s; future, £17 2s 6d.
Silver: 18 3-16d per ounce.
Gold: 127s 7d.
Canada—September 12:
Gold: $30.60.

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